

The ORIENTAL ECONOMIST

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AUGUST, 1957

No. 562

Balanced Economic Growth

Kishi Cabinet Reorganized

Economic White Paper for 1956

Trade Easier With Communist China

Jurisdiction Over Foreign Military Personnel

Payment Position and Business

Notable Employment Growth

Foreign Capital Induction

Social Security in Japan

Rolling Stock & Railway Equipment



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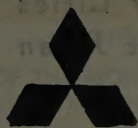
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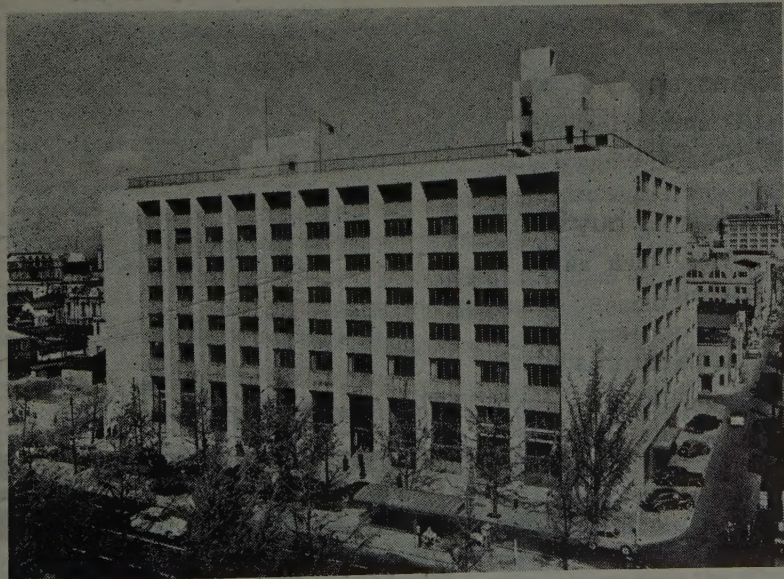
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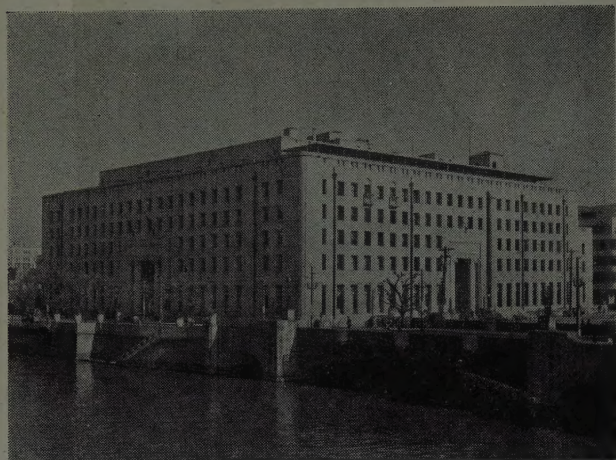
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Review of the Month

THE second (reorganized) Kishi Cabinet made its debut on July 10 with the attestation of the new Cabinet Ministers at the Imperial Palace. Thus, the Kishi Cabinet has made its fresh start both in name and reality, as the first Kishi Cabinet was merely a mechanical and makeshift successor to the Ishibashi Cabinet due to the abrupt resignation of former Prime Minister Tanzan Ishibashi because of illness. In the process of this makeshift formulation, the first Kishi Cabinet succeeded to the Ministers and the officials of the Liberal-Democratic Party named under the Ishibashi regime without change. Hence, an early reorganization according to the choice of new Prime Minister had been generally expected. Before the reorganization, Prime Minister Kishi reiterated that he would pick up right men in right places in the choice of Cabinet Ministers, but the new lineup is apparently far from Mr. Kishi's ideal. In the turmoil of factional strife within the Liberal Democratic Party, Mr. Kishi appears to have been almost entirely unable to take the initiative in the allocation of Cabinet posts. In the formation of Japanese Cabinets, Ministerial posts would always be made the scapegoat for factional rivalry at least for two cardinal reasons: the high cost of politics and the present constituency system.

That politics cost much is well demonstrated by elections. In all general elections held recently, perhaps no candidates were elected at the expenses legally allowable. Some of them must have spent over ¥10 million to be returned. Money is required not only for elections. It has now become customary for members of both Houses to make pecuniary gifts to the residents in their constituencies on all ceremonial occasions or to give parties for leaders in the constituencies visiting Tokyo for petition or sightseeing. Expenses for these customary exchanges are not insignificant. With politics thus demanding large spending, House members badly off are apt to flock after those in funds to organize factional relationships, and some well-to-do members contributing large political funds to the party are sometimes selected for Cabinet posts. Thus, money has begun to speak more loudly in Japanese politics in recent years. The present system of constituencies is another reason for the rise of factional strife. Under the present constituency system, four or five Diet members are returned from one constituency. As the Liberal-Democratic Party and the Socialist Party are the only major parties in this country, they name several candidates each for one constituency. Hence, the candidates are forced to rival similar candidates from their own party while competing with those of the Opposition. Thus, even the candidates from the same party are apt to be sentimentally pitted against one another with the resultant advent of factional strife. In view of these circumstances, it appears difficult to find the way to the formation of Cabinet actually based on policies and men. As provisional measures to cope with the situation, however, the study of a less costly election system and the adoption of small constituency system are considered highly desirable. At the same time, greater importance should be attached to the jobs of the political research committee.

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Now that the new Kishi Cabinet had made its fresh start, what are expected to be in store are the convocation of an extraordinary session of the National Diet and the dissolution of the House of Representatives. In the current economic plight, the dissolution of the Lower House in the remainder of the year seems to be next to impossible for Government Party.

LINEUP OF REORGANIZED KISHI CABINET

Prime Minister: Nobusuke Kishi (60: President of Liberal-Democratic Party; Foreign Minister in the Ishibashi Cabinet; Prime Minister and concurrently Foreign Minister in the 1st Kishi Cabinet)

Deputy Prime Minister: Mitsujiro Ishii (67: Minister of Commerce & Industry in the 1st Yoshida Cabinet; Transportation Minister in the 4th and 5th Yoshida Cabinets; Deputy Prime Minister in the 1st Kishi Cabinet)

Justice Minister: Toshiaki Karasawa (66: Governor of Wakayama Prefecture)

Foreign Minister: Aichihiro Fujiyama (60: President of Japan Chamber of Commerce & Industry)

Finance Minister: Hisato Ichimada (63: Finance Minister in the 1st, 2nd and 3rd Hatoyama Cabinets; Former Governor of the Bank of Japan)

Education Minister: To Matsunaga (69: Former Speaker of the House of Representatives)

Welfare Minister: Kenzo Horiki (59: Member of the Liberal-Democratic Party's Executive Committee)

Agriculture-Forestry Minister: Munenori Akagi (52: Former Assistant Secretary-General of the Liberal-Democratic Party)

International Trade & Industry Minister: Shigesaburo Maeo (51: Former Chairman of the Lower House Foreign Affairs Committee)

Transportation Minister: Sannojo Nakamura (62: Former Parliamentary Vice-Minister of Finance)

Postal Service Minister: Kakuei Tanaka (39: Former Parliamentary Vice-Minister of Justice)

Labor Minister: Hirohide Ishida (42: Former Chief Cabinet Secretary)

Construction Minister: Ryutaro Nemoto (50: Agriculture-Forestry Minister in the 3rd Yoshida Cabinet; Chief Cabinet Secretary in the 1st, 2nd and 3rd Hatoyama Cabinets)

State Minister (in charge of the Economic Planning Board): Ichiro Kono (59: Agriculture-Forestry Minister in the 1st, 2nd and 3rd Hatoyama Cabinets)

State Minister (in charge of the Autonomy Agency): Yuichi Kori (55: former Secretary-General of the Upper House Liberal-Democratic Party)

State Minister (in charge of the National Public Safety Commission: the Science & Technology Agency; and the Atomic Energy Commission): Ma'sutaro Shoriki (72: State Minister in the 3rd Hatoyama Cabinet; Owner of the Yomiuri Newspapers)

State Minister (in charge of the Defense Agency): Juichi Taushima (69: Finance Minister in the Koiso and Higashi-Kuninomiya Cabinets)

Chief Cabinet Secretary: Kiichi Aichi (49: International Trade & Industry Minister in the 5th Yoshida Cabinet)

Director, Cabinet Legislation Board: Shuzo Hayashi (46: Director, Cabinet Legislation Board in the 1st, 2nd and 3rd Hatoyama Cabinet, and the Ishibashi Cabinet).

NEW LIBERAL-DEMOCRATIC PARTY EXECUTIVES

Vice-President: Banboku Ohno (67: former Speaker of the House of Representatives)

Secretary-General: Shojiro Kawashima (67: former State Minister in charge of the Autonomy Agency in the 1st Yoshida Cabinet)

Chairman of the Executive Board: Shigemasa Sunada (72: former Chairman of the Executive Board and Director of the Defense Agency in the 2nd Hatoyama Cabinet)

Chairman of the Political Research Committee: Takeo Miki (50: Transportation Minister in the 1st and 2nd Hatoyama Cabinet; former Secretary-General of the Liberal-Democratic Party).

IN the face of the rising voice in a section of financial circles for an alleviative revision of the tight-money policy to cope with the growing money stringency and the collapsing stock market, the Government at a meeting of

ECONOMIC "WHITE PAPER" FOR 1956

Cabinet Ministers in charge of economic operations held on July 15 made it plain that it would adhere to the tight-money financial policy formulated by the preceding Cabinet. Thus, it appears that the Government is all set to push its deflationist policy despite some possible frictions. With the national economy at a crucial point, the Economic Planning Board on July 19 released the Economic "White Paper" for fiscal 1956. In the official survey of the Japanese economy, the causes of the latest worsening of the balance of international payments are minutely scrutinized and the economic transitions leading to the exit of the "business boom" are closely reviewed. It is pointed out in the "White Paper" that the speed of Japan's economic expansion in fiscal 1956 exceeded all expectations. During the fiscal year under review, national income increased 13.9 percent, industrial production (mining and manufacturing inclusive) surged up 23.4 percent (including a 59% hike of machinery), plant-equipment invest-

ments swelled 80 percent, inventory investments soared 40 percent, bank lending was tripled, exports bulged 20 percent and imports gained 40 percent, as compared with fiscal 1955 equivalents. The economic expansion at such a terrific tempo could not be achieved without causing unbalances in some sectors of the national economy, the "White Paper" states. The first of such symptoms of the unbalanced economy manifested itself, according to the "White Paper," in the excessive growth of orders received for machinery. As of the middle part of fiscal 1956, the backlog of outstanding orders for machinery and equipments reached 18 times the amount of monthly deliveries. A sharp aboutface in the monetary key-note was another notable symptom. At the start of fiscal 1956, monetary institutions held larger deposits than loans. Loans began to eclipse deposits from about the middle part of the year and the total amount of bank loans extended in fiscal 1956 came to reach a huge figure of ¥1,042,800 million, about three times the fiscal 1955 total. In the third place, prices (particularly of investment goods) began to soar due to the shortages in key industries such as iron-steel, electric power and transportation, and the balance of international accounts was finally forced to run into the red because of the sharp increase in imports. During fiscal 1956, imports as cleared through customs registered a gain of \$1,000 million, of which some \$700 million were presumably necessitated by swelling investments. To give more concrete figures, the balance of international payments in fiscal 1956 stood \$180 million in the red, and this deficit was solely attributable to payment excesses in the first three months of 1957 (marking the last quarter of fiscal 1956) totalling \$220 million due solely to the steep imports of raw and processed materials based on brisk plant equipment investments. Hence, Japan's foreign currency holdings were dwarfed to \$1,190 million as at the end of fiscal 1956 (March, 1957).

The "White Paper" holds the abnormal growth of the national economy within a limited period responsible for the worsening of the balance of international payments. What, then, was directly responsible for the excessive speed of Japan's economic growth? The "White Paper" picks up the abnormal rise of the civilian enthusiasm for plant-equipment investments as the cardinal cause. Plant and equipment spending in fiscal 1956 aggregated ¥1,400,000 million, up some 80 percent over the fiscal 1955 equivalent while inventory investments totalled ¥640,000 million, up 40 percent. Major incentives to the heavy swelling of such investments were: 1) Rising demands for modernization and rejuvenation of industrial equipments; 2) Easier financing operations due to growing profits; 3) Increasing enthusiasm for equipment investments among small businesses and industries; 4) Greater haste of equipment expansion operations by textile plants and department stores for fear of possible governmental restrictions; 5) Advantages of capital expansions by January-February, 1957 due to legal privileges provided for by the Capital Replenishment Law and the Special Tax Measures Law, and the consequent haste of major corporations to boost capital in time; and 6) Intensified competition among industries and the loan-extension race among banks.

THE "White Paper" proceeds to touch upon the need for the balanced growth of national economy by first referring to bottlenecks noted in key industries such as electric power and transportation during fiscal 1956. Such bottlenecks are not temporary in character, the E.P.B. report says, but are attributable to the semi-chronic unbalance between the tempo of the economic growth and the solidity of the industrial foundation, adding that the basic weakness of the Japanese industrial structure is the underdevelopment of energy resources like electric power as compared with the progress of other major industries. The national consumption of energy has been annually increasing by leaps and bounds, and the country is depending on foreign sources for the supply of the best part of the increasing need. The percentage of energy for domestic consumption dependent on imports stood at 10.6 percent in fiscal 1951, but rose to 22.8 percent in fiscal 1955. Development of domestic energy resources, however, demands large expenses, as well exemplified by huge investments required for development of power resources (about a third of the total private equipment investments). In fact, such valuable energy resources have been too intensively earmarked for basic industries. In order to further enhance Japan's industrial productivity in the future, therefore, the "White Paper" urges the need of fostering machinery industry which carries high "investment effects" (that is, high energy productivity). The report also stresses the greater need of expanding transportation facilities, pointing out that the volume of carloadings by National Railways has tripled the prewar equivalent while the length of its railway mileages gained only 20 percent. The report also stresses the necessity of expanding the transportation capacity, pointing out that the volume of carloadings by the National Railways has only tripled the prewar equivalent and by electric railways by only 20 percent. Another vital problem is the employment structure. The number of completely unemployed in fiscal 1956 totalled 600,000, less than 2 percent of the number of employed, the "White Paper" continues, but the crux of the problem is the so-called "family labor" in the agrarian community which accounts for about 30 percent of the farm labor force. Equally worthy of note are the predominance (38 percent) of the farm population and the heavy weight of incompletely employed with low income in the total number of employed, the "White Paper" says. As other special features of Japanese employment, it refers to the wide gap between the wages in key industries and those of small enterprises with less than 30 employees (averaging 50 against 100 for the former), and the outstandingly great weight of employment in big and small industries as compared with the insignificance of medium industries. In sum, the report adds, the Japanese employment structure is double-barrelled, clearly divided between large-scale modern industries on the one part and old-fashioned small and medium enterprises and agriculture on the other. It says that such a double-edged employment structure is likely to invite adverse effects on the sound growth of the Japanese economy, and urges the adoption of the following two measures for its harmoniously-balanced development: 1) The advancement of Japa-

BALANCED GROWTH OF ECONOMY

nese economic operations at the annual rate of 7 percent in the coming 10 years; and 2) Modernization of outdated small and medium industries (as these branches still have enough room for boosting exports and increasing employment). The "White Paper" concludes that the Japanese economy, which now entered upon the period of adjustment through a composite and integral financial and monetary policy, is demanding the adoption of a long-range economic policy assigned with the accomplishment of three mutually-inconsistent but individually-inseparable targets—the restoration of a well-balanced economy within a short period, a sound economic growth and the rectification of structural defects.

WITH the world's attention focussed on Japan's policy for relaxation of the trade embargo against Communist China since Great Britain unilaterally alleviated its CHINCOM embargo in late May,

EASIER TRADE WITH CHINA

the Japanese Government on July 16 announced the decision to ease the embargo to the level in application to the Soviet Union and other East European countries, together with a list of 272 items newly made exportable to China. The 272 exportable items comprise 207 listed in the CHINCOM embargo (including machine tools and other machinery, power generating equipments, steel ships, rolling-stock and automobiles) and 63 listed under the observation of Cocom.

Although Japan has finally been placed on an equal footing with West European countries in trade with Communist China through the relaxation of the CHINCOM embargo list, the present step has only served to promote the possibility of increasing trade with Communist China. Whether Japan may be able to boost her exports to China in actual trade remains to be seen, depending on the future efforts of the Japanese Government and traders in general. Hence, possibility and actuality should not be mixed. In order to expand exports to Communist China, Japanese products are first of all required to beat Western European equivalents in quality as well as in price. Second, there should be a full-fledged trade agreement between the two countries, as, without such an accord, no planned and stable purchases will be possible. To that end, the fourth Sino-Japanese trade agreement must be concluded as soon as possible to replace the third agreement which has already expired. In this connection, however, negotiations between the two countries have been deadlocked for some time over the problem of fingerprint taking of Chinese trade representatives for the Chinese Trade Representation to be established in Japan. The Japanese Government insists on the need of taking fingerprints of Chinese representatives on the ground of the absence of formal diplomatic relations between the two countries while the Chinese side is opposed to this step. With the conclusion of a new trade agreement, Japanese traders are apparently convinced that Japanese trade with China may be doubled for the current year without difficulty from the 1956 level (\$67,000,000 in export and \$83,000,000 in import). What eventually stands in the way, however, is the problem of Communist China's purchasing power. Excessive optimism in this respect is taboo.

Business Indicators

Prices:—Prices were most sensitive to the impact of tight-money measures. For instance, the weekly wholesale price index, which began to slip from early April after a new peak registered in March, registered a total loss of some 2.9% by June. The sharpest decline was marked by foodstuffs which in the interim dipped 8.4%. Other major losers were metals (down 5.8%) and textiles (down 4.9%). As compared with a year ago, the composite wholesale price index in June was still 4.4% higher with building materials up 18.5%, fuels up 11.3%, machinery up 9.0%, sundries (paper, pulp, rubber and leather) up 6.6% and foodstuffs up 6.0%.

Noteworthy, however, is the fact that building materials, fuels and machinery, which had continued stiff until the close of 1956, have begun to soften. During the past month, the heaviest recession was recorded by textiles which in June this year stood 11.5% lower than a year ago under the impact of the increasing signs of overproduction. The weakening of the textile market was further accelerated as wholesalers began to make sacrifice sales to cope with the cash shortage. Meanwhile, the number of textile traders going bankrupt has begun to increase sharply since March, this year, with the number of bankruptcies in June reaching five-fold a year ago. With the short money situation due to continue, the prices as a whole are expected to continue slipping. As far as textile products are concerned, the prices have apparently hit the bottom, and some specific items, such as cotton and rayon products may start rising to rectify the excessively low levels to which they were to drop.

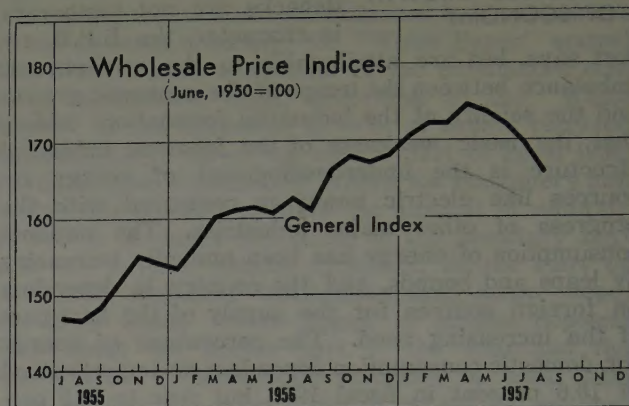
1. WHOLESALE PRICE INDICES (June, 1950=100)

	June, 1956	March 1957	June, 1957	Against March, 1957	Against June, 1956
Total Average	162.4	174.6	169.5	97.1	104.4
Foodstuffs	142.3	164.8	150.9	91.6	106.0
Textiles	95.8	89.2	84.8	95.1	88.5
Fuels	162.1	174.2	180.4	103.6	111.3
Metals	297.0	307.4	289.6	94.2	97.5
Machinery	183.2	200.6	199.6	99.5	109.0
Building Materials	214.0	248.6	253.6	102.0	118.5
Chemicals	105.7	108.9	108.7	99.8	102.8
Sundries	132.4	137.7	141.1	102.5	106.6
Producer Goods	178.2	186.8	184.6	98.8	103.6
Consumer Goods	134.3	152.8	142.7	93.4	106.3
Investment Goods	257.2	276.5	268.6	97.1	105.4

Note: As of mid-month.

Source: Economic Planning Board.

Production:—The latest weakening of prices, whetted by the adoption of tight-money measures, is more basically attributable to the unabated pace of production expansion. In some branches (textiles, for instance), signs of oversupplies have become apparent. Meanwhile, the index of industrial production (mining and manufacturing inclusive) for May



stood 3.3% higher than the April equivalent and 23.4% larger than a year ago. On the list of gainers, machinery and steel ships towered high by registering gains approximating to 60.0% in the past year, chiefly because of the active exports of ships and the brisk tone of plant and equipment investments. Rubber goods came next with the hike of 42.7%, followed by petroleum and coal products which rose 31.3%. Railway rolling-stock bulged 29.4% and non-ferrous metals increased 25.7% while ceramics also advanced 25.4%. Other principal marchers were chemicals, textiles, iron-steel and paper-pulp, all up more than 20.0%. Such sharp production gains in key industries were sufficiently counterbalanced by lively demands throughout 1956 and up until March, this year. Hence, prices during the period continued stiff. With inventory investments steadily curbed and equipment investments hitting the ceiling under the impact of tight-money measures, however, demands have begun to wane and the prices have started downhill.

2. MAY PRODUCTION INDICES (1950=100)

	April, 1957	May, 1957	Against April, 1957	Against May, 1956
Mining-Manufacturing	289.6	299.2	103.3	123.4
Mining	148.2	151.4	102.2	11.29
Manufacturing	318.7	329.6	103.4	124.5
Iron & Steel	274.6	382.1	102.7	119.4
Non-Ferrous Metals	213.1	249.2	116.7	125.7
Machinery	414.4	433.3	104.6	159.3
Steel Ships	762.2	762.2	100.0	155.0
Rolling Stocks	112.8	112.8	100.0	129.4
Textiles	348.3	352.4	101.2	120.7
Paper & Pulp	325.7	342.1	105.0	119.3
Chemicals	282.4	310.0	109.8	122.2
Pharmaceuticals	1,201.0	1,201.0	100.0	106.1
Oil Products	633.0	644.4	101.8	131.3
Ceramics	266.1	272.1	102.3	125.4
Rubber Goods	234.5	238.1	101.5	142.7
Leather Goods	298.8	290.6	97.3	108.9
Daily Necessaries	255.6	261.3	102.6	115.4
Lumber	173.9	173.9	100.0	100.6
Foodstuffs	204.0	214.6	105.2	101.2
Tobacco	140.6	146.7	104.3	101.6

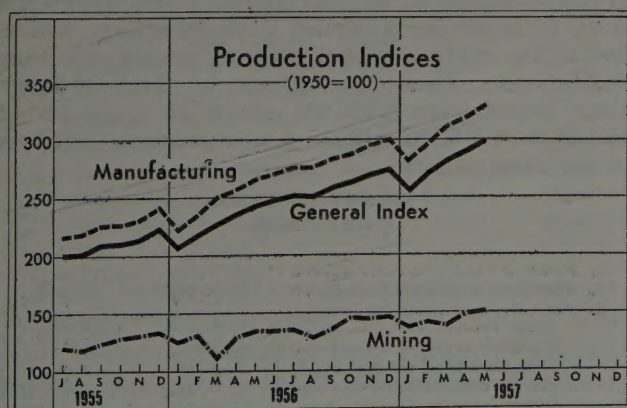
Source: MITI.

Inventories:—The decline of inventory investments has become manifest first with retailing and wholesaling branches, as they have grown increasingly hesitant in stocking operations for fear of the possible advent of depression. Despite the apparent slip in inventory investments, however, the volume of inventories in the hands of merchants as of April was 29.0% larger than a year ago. With stocks thus plentiful, merchants are certain to tighten their purses further in stocking operations, and this will automatically serve to boost the amount of inventories held by manufacturers. For example, the balance of inventories in the hands of manufacturers as at the end of May was 7.7% higher than a month ago and 23.8% larger than a year ago. The gain of inventories was most marked for textile products which rose 56.2% over a year ago, followed by petroleum and coal products, non-ferrous metals and machinery, all up about 40.0%. Other cardinal gainers were rubber (28.3%) and chemicals (up 17.4%). The increase of iron and steel products, however, was restricted to only 3.6%, while mining, inclusive of coal, slipped 6.0%. Equally bulky were the gains of inventories of raw materials with the May-end balance up 52.2% over a year ago. Of raw materials in general, imported raw materials registered a sharper gain of 63.5%, well indicative of an amazing tempo at which they were replenished.

3. INDICES OF MANUFACTURERS' INVENTORIES (1950 average=100)

	April, 1957	May, 1957	Against April, 1957	Against May, 1956
Mining-Manufacturing	149.8	161.4	107.7	123.8
Mining	54.3	53.2	98.0	94.0
Manufacturing	161.9	175.1	108.2	125.3
Iron & Steel	170.2	173.9	102.2	103.6
Non-ferrous Metals	95.1	99.2	104.3	140.1
Machinery	179.4	184.9	103.1	139.4
Textiles	147.2	170.7	116.0	156.2
Paper, Pulp	222.5	235.3	105.8	76.4
Chemicals	234.4	239.2	102.0	117.4
Petroleum, Coal Products ..	191.1	227.9	119.3	140.3
Ceramics	129.1	135.4	104.9	96.7
Rubber Goods	232.6	249.1	107.1	128.3
Hides, Leathers	109.6	113.3	103.4	100.0
Others	104.2	115.0	110.4	115.1

Source: MITI.



Consumer Demands:—Consumer demands have continued brisk. For instance, department store

sales in April totalled ¥23,900 million, registering a comfortable hike of 21.8% over a year ago (18.0% in April, 1956 over a year before). The fair tone appears to have continued into May, as a preliminary survey of the sales of department stores in Tokyo in May were 19.8% higher than a year ago. Chiefly responsible for the smooth march of department store sales were income increases in urban and suburban areas on the spur of the two-year-long business boom and the ¥100,000 million tax cut. The recent increase in consumer demands has not been unreasonably notable, and there apparently is no fear of inflation emanating from excessive demands. The abnormal run of consumption propensity has been well regulated by the stabilized tone of the prices of consumer goods. Industrial demands as indicated by plant-equipment investments, however, have seemingly passed the peak, at least as far as orders for machinery are concerned. Orders for machinery and equipments received during April aggregated ¥49,000 million, registering a drastic recession of 45.7% from contracts for March, although they still stood higher than the equivalent a year ago. It is thus noted that plant-equipment investments have now been gradually checked, a new deterrent to the price front.

Living Cost:—While the wholesale prices have begun to soften from about April, the consumer prices have continued strong, presumably as the consumer price gain has lagged behind the hike of wholesale prices. Thus, the consumer price index as of May recorded a gain of 0.9% over April and a hike of 2.7% over a year ago. The increase in the one year under review was heaviest at 5.7% for the light-fuel expense while the housing expense rose 4.5% and the non-staple food expense gained 3.4%.

4. DEPARTMENT STORE SALES

	1955		1956	
	¥100 million	Indices (A year ago as 100)	¥100 million	Indices (A year ago as 100)
September	124.5	111.9	156.5	125.7
October	173.7	100.4	208.8	120.2
November	195.3	112.4	235.2	120.4
December	410.2	111.6	525.7	128.2
January	145.8	113.6	172.3	118.2
February	145.3	120.4	176.0	121.1
March	203.1	117.2	260.0	127.9
April	196.2	118.0	239.0	121.8

Source: Compiled by *The Oriental Economist* from MITI figures.

5. TOKYO CONSUMER PRICE INDICES (1951=100)

	April, 1957	May, 1957	Against April, 1957	Against May, 1956
Total Average	120.7	121.8	100.9	102.7
Foodstuffs	116.1	117.4	101.1	202.7
Staple	121.8	123.2	101.1	101.7
Non-staple	113.1	114.4	101.1	103.4
Clothing	81.8	83.9	102.6	101.3
Light-Fuel	145.0	145.2	100.1	105.7
Housing	148.2	148.0	99.9	104.8
Miscellaneous	144.7	145.0	100.2	102.0

Source: Bureau of Statistics, Prime Minister's Office.

Money and Banking

Money Busier:—Money grew exceedingly stringent in June due to the bulky withdrawal excess of financial funds and active demands for fresh funds. Reflective of the situation, the call rate eclipsed the 6 *sen* mark per diem. During the month under review, the note issue increased ¥38,000 million while the excess of financial fund withdrawals reached ¥104,600 million. Inclusive of other developments, the shortage of financial funds during June amounted to some ¥151,100 million which was covered with an additional release of Bank of Japan loans. The bulky amount of the Treasury-to-public balance was largely responsible for the extreme stringency of the money market in June. Principally responsible for this huge withdrawal excess was a bulky over-withdrawal in the Foreign Exchange Account. The balance of foreign exchange transactions for the month under review stood \$114 million in the red. To tighten the situation further, the Ministry of Finance withdrew foreign currency deposits valued at \$16 million from exchange banks. As a result, the excess of withdrawals over payments in the Foreign Exchange Account amounted to ¥44,500 million in June. Another reason was the unexpectedly large excess of withdrawals in the Food Control Account in June, as the over-withdrawal in this account, originally estimated at around ¥5,000 million, swelled to ¥27,300 million because of the delay of advance payments for quota rice deliveries. The delay was attributable to the Government's failure to decide on the official price of rice in time. In 1956, rice purchase contracts by the Government in 1956 started in June and advancements in that month reached ¥28,000 million, greatly serving to ease the money market. In June, this year, no payment was made. Also responsible for the tight money situation was the huge ¥32,600 million withdrawal excess of financial funds in other accounts in June, far larger than the similar excess of ¥21,400 million a year ago, primarily because of the smooth progress of government receipts from taxes, postal savings, postal insurance, etc. The tax income registered some decline in income taxes due to the tax cut, but the increases in the corporate and liquor taxes were more than enough to counterbalance the income tax dip. The tax income in June this year totalled ¥118,300 million, marking a gain of ¥28,400 million (31.5%) over a year ago, well indicative of fair profits registered by business and industry. In addition to the total excess of financial fund withdrawals at ¥104,900 million, the increase of the Bank of Japan note issue in the month under review reached ¥38,000 million, although it was only a slight gain over the corresponding hike of ¥35,500 million in June, last year. On the other hand, the average note issue in June stood at ¥612,900 million, up ¥70,700 million over a year ago.

Loans Dull:—Loans extended by banks throughout the country during June increased ¥78,900 million, registering a sharp recession from the gain of ¥116,000 million recorded a year ago. It may thus be noted that the increasing pace of bank loans has begun to slacken. Equally inactive with the rising tempo of deposits. Real deposits received by banks throughout the country in June (minus government deposits, bills, cheques, etc.) recorded a drop of ¥43,000 million, in sharp contrast to the ¥62,000 million increase witnessed in the same month a year ago. Sandwiched between the large withdrawal excess of financial funds and the increasing note issue, the money market grew extremely tight. Hence, Bank of Japan loans during June swelled sharply by ¥151,200 million (up ¥63,000 million in June, 1956) to register the month-end balance of ¥475,000 million, despite stronger restrictions imposed.

Money in 1st Quarter:—The total excess of financial fund withdrawals by the Government in the first quarter of fiscal 1957 (April to June) reached ¥177,700 million (¥9,400 million in the like quarter in 1956), including ¥122,500 million in the Foreign Exchange Account (the payment excess of ¥9,500 million a year ago) and ¥100,500 million in the Food Control Account (¥56,500 million a year ago). Financial funds in other accounts, on the other hand, recorded the payment excess of ¥7,000 million as spending in the form of local tax transfers, the Defense Agency expense, allowances for government and public workers, etc. increased in unison. Responsible for these transitions were the rising excess of withdrawals in the Foreign Exchange Account to cope with the worsening of the balance of international payments, and the similar trend in the Food Control Account due to the delay of advance payments for quota rice purchases, and the dwindling imports of foodstuffs. Because of such a bulky excess of financial fund withdrawals, the increase of note issue in the first quarter was restricted to only ¥19,900 million (¥22,100 million in the like quarter a year ago) while Bank of Japan loans swelled ¥199,100 million, indicative of the extreme money shortage among monetary institutions. Thus, the balance of Bank of Japan loans soared from ¥276,400 million as of the end of March to ¥475,500 million, a new postwar high, as of the close of June.

MONEY IN JUNE (In ¥100 million)

	June	April-June
1. Financial funds	¥1,046 (△198)	¥1,777 (△ 94)
2. Short-term government bonds ..	16 (△ 21)	33 (55)
3. Bank of Japan Accounts:		
Loans	1,512 (400)	1,991 (357)
(Balance)	(4,755) (630)	—
Long-term bond purchases	— (△ 19)	6 (△ 58)
Private deposits	△ 22 (10)	7 (221)
Others	△ 63 (△ 20)	△ 115 (△233)
Total	1,419 (574)	1,853 (263)
4. Total (Note issue)	380 (355)	109 (221)
5. Balance of note issue	6,771 (5,959)	—

Notes: △....Shrinkages. Parenthesized figures are for like periods a year ago.
Source: Compiled by *The Oriental Economist*.

Stock Market

Still Low:—The stock market continued tame into July. According to the Tokyo Securities Exchange, the average quotation of 225 industrials dropped to a new low of ¥503.81 on July 4, diving far below the June low of ¥517.01. The average revived to ¥515.01 on July 10, but the recovery was short-lived, as it again dipped to ¥510.44 on July 12 and plunged further to mark another new low at ¥499.13 on July 15. The volume of daily turnovers dwindled in parallel, and the average for the first 12 days of July (1st to 12th) stood at 16,444,000, a new bottom since October, last year. The stock market would generally grow dull during the summer season from July through August, but the lethargy this year is apparently heavier than seasonably usual. As mentioned in this space before, the elevation of the official discount rate by the Bank of Japan on May 8 was the direct cause of the stock market depression. A series of tightmoney measures announced by the Government in rapid succession for coping with the worsening balance of international payments came as additional deterrents to the stock prices. The organization of the new Kishi Cabinet on July 10 failed to give any impetus to the market tone, as the Government made it plain that it had no intention whatever to rectify or slacken the tight-money policy already announced. With the future transition of monetary and financial situation thus uncertain, traders have been prevented from taking any definite operations. Under the circumstances, the stock market is bound to continue dull, although no drastic collapse may take place.

1. AVERAGE SHARE PRICES AND DAILY TURNOVERS

	Share Price (Yen)			Average Daily Turnovers (1,000 shares)
	High	Low	Average	
1956: July	507.14	436.63	503.03	15,450
August	492.92	482.70	487.24	12,127
September	508.98	487.15	496.19	19,996
October	556.58	512.94	532.76	39,673
November	566.30	542.91	554.92	28,163
December	586.01	549.45	572.80	39,771
1957: January	587.88	562.91	573.99	30,390
February	587.00	560.27	567.73	27,692
March	593.47	581.03	587.55	31,920
April	595.46	554.71	547.58	29,806
May	532.72	517.01	524.70	17,772
June	515.01	503.81	523.37	16,444

Major Dampers:—One of the principal brakes to the recovery of share prices is the monetary situation. Under the impact of tight money, investors in general, particularly small businesses and industries, have been financially strained. Hence, the market has grown increasingly bearish, as many traders have been forced to sell even high-yielding shares in order to get cash. A similar situation is ap-

parently prevailing in the steel and textile markets where sacrifice sales are reportedly rampant. The July 10 recovery came in the wake of the drop of the call rates after advance payments made by the Government in the Food Control Account became circulated, but the recovery was only spasmodic. The current market emasculation is chiefly attributable to the apparent determination of the Government to adhere to the tight-money policy to the end and the possible excess of huge withdrawals over payments in the second quarter (ended September). Also responsible for the standstill of share transactions is the rising uncertainty as to the future of corporate profits. Some leading industrial and commercial companies (such as Sanyo Pulp, Nippon Soda and Itoh-Man) announced dividend rate cuts while major automobile manufacturers decided to cut production by about 20 percent. Other key industries are likely to defer or dwarf production expansion plans due to the deferralment of the financial investment and loan program by the Government. As the tendency towards production cuts by key plants becomes more manifest, traders will grow increasingly hesitant. The impact of capital increase payments is offering another deterrent. While capital increase projects in the past were exclusive stimulants to the stock market, the latest money shortage have converted some of these projects into deterrents. Because of the depression of the bond market, corporations are unable to raise enough industrial funds through debenture flotations. On the other hand, banking institutions have become increasingly reluctant to supply funds. Under the circumstances, more corporations have begun to seek expansion funds through capital increases. Investors, on their part, have grown markedly cold towards capital increases of this nature, and are apt to reject new share payments for capital expansions by companies whose shares have sharply fallen.

Adjustment on:—In the course of the stock market depression, adjustment operations have been in progress in the past two odd months. For instance, the Dow-Jones average of 225 pivotals, which registered a peak at ¥594.81 on July 4, dived sharply by ¥91.00 to ¥503.81 on July 4, a decline of 10.5% in two months. Due to the collapse of share prices, the yields have markedly increased. The average yields for the 225 pivotals rose from 5.96% on May 4 to 7.38% on July 4, or a gain of 1.3%. With the average yield thus sharply up, the yields of some leading stocks have advanced to 8.00-10.00%. With the stock market thus steadily normalized in various phases, shares are apparently ready to rally at the first signs of fair stimulants. For the time being,

however, all stimulants are being overshadowed by deterrents, and the market is being forced to remain dull.

More Losers:—During the period of one month from June 12 to July 12, the total average of the prices of 225 pivots marked a drop of 2.67%. Of the 22 groups into which the 225 leaders are classified, 17 groups lost and five groups rose. On the list of losers, heavy industries predominated, with machinery receding 7.19%, transportation machinery losing 7.05%, mining diving 5.30%, precision machines slipping 4.65% and "other manufacturing" dipped 4.04%. The recession of machinery, transportation machinery and precision machines came as a reaction to an extremely good showing they had made in the past. Shipping also collapsed 7.27% due principally to the decline of shipping rates. Other major losers were commerce (down 7.47%) and warehousing (down 4.51%). On the restricted list of gainers, textiles registered a 2.58% increase after a long spell of inactivity. The hikes of other four gaining groups were restricted to less than 1.0%. Of these gainers, the advance of "Petroleum and Coal Products" was based more or less on speculative purchasing operations on the strength of the expected investment by Gas Chemical in Teikoku Oil shares. Other petroleum and coal shares followed

suit in an overall upswing. The advance of "Banking and Insurance" was due to the upsurge of the shares of non-life insurance companies possessing assets overseas while the hike of "Land Transportation" depended on the sharp spurt of Odakyu Electric Railway shares resulting from cornering operations made by a section of speculative traders.

2. SHARE PRICE MOVEMENT BY GROUP

	June 12 (Yen)	July 12 (Yen)	Declines (+ Gains)	%
Average of 225 Pivots	524.46	510.44	14.02	2.67
Fisheries	145.11	145.86	(+)0.75	(+)0.51
Mining	383.33	362.00	21.33	5.30
Foodstuffs	944.67	937.00	7.67	0.81
Textiles	510.83	524.06	(+)13.21	(+)2.58
Paper, Pulp	651.56	629.17	22.39	3.43
Chemicals	329.51	318.75	10.70	3.26
Petroleum, Coal Products....	1,478.66	1,486.44	(+)6.78	(+)0.45
Glass, Clay, Stone Products..	862.11	845.20	16.91	1.96
Primary Metals	178.81	171.57	7.30	0.40
Machinery	286.24	265.63	20.61	7.19
Electric Machines, Tools....	301.11	296.58	4.53	1.50
Transportation Machinery....	283.05	263.09	19.96	7.05
Precision Machines	299.32	285.38	13.94	4.65
Other Manufacturing	446.51	428.43	18.08	4.04
Commerce....	1,012.86	937.14	75.72	7.47
Banking, Insurance.....	583.67	587.07	(+)3.40	(+)0.58
Real Estate	1,301.64	1,275.41	26.23	2.01
Land Transportation	360.93	362.04	(+)1.11	(+)0.30
Ocean Shipping	229.27	212.10	16.67	7.29
Warehousing	275.00	740.00	35.00	4.51
Electricity, Gas	204.63	203.40	1.23	0.60
Service Professions	322.03	319.92	3.11	0.96

Source: Compiled by *The Oriental Economist*.



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Notable Employment Growth

DURING 1956, with paeans sung to the biggest boom since Jimmu (Japan's founding emperor), there was marked improvement in all the phases of the labor economy. The "Labor White Paper" made public on June 25, last, gives in detail these developments, and it is the purpose of this article briefly to outline the highlights of the white paper and to mention some of the subsequent improvements that have occurred.

Modernization of the Employment Pattern

According to the Office of the Prime Minister, the total employment in 1956 increased by 780,000 over that of 1955. But whereas there was a decline of 430,000 in farm-forestry employment, there was a gain of 1,220,000 in non-farm jobs filled. Particularly notable was the increase by 480,000 in manufacturing among the non-farm activities.

In 1955, there had taken place, as against the 1954 level, an increase of 390,000 in farming; while of the non-farm increment only 110,000 were in manufacturing. Thus it can be said that the overall pattern of Japanese employment has shifted in the direction of modernization. The trend has not changed in recent months, and the figures for April 1957, as compared to the same month in 1956, were: farm-forestry down 780,000, and non-farm up approximately 1,700,000.

As for the status of employment, there was in 1956 a decline (annual average) of 620,000 in family jobs (filled by family members) (in 1955 there was a gain of 360,000), while there was a gain of only 90,000 in self-employers (270,000 in 1955). In contrast, there was a notable increase of 1,330,000 in employed

workers (as against 700,000 in 1955), and the same tendency continues to prevail in 1957. This again points to modernization of the employment pattern.

As for the completely unemployed, there was in 1956 a decline of 40,000 as against the 1955 figure; but recently the rate of diminution has been even more marked, and the figures for March and April as compared to the levels of the same months in 1955 were respectively: down 240,000 and down 110,000.

According to the Ministry of Labor, the employment situation in business and industry (with a workforce of not less than 30) was such that as against the slight drop in 1955, there was a gain of 3 percent in 1956. Moreover, the rate of gain subsequently increased so that as of April this year, the comparison with April, 1956 indicated 6.5 percent increase. This growth is unprecedented.

Taken by industrial categories, manufacturing was indubitably in the lead, with the April, 1957 versus April, 1956 gain at 9 percent. The result of all this was marked improvement of the jobseeker's position. As can be seen in Table 4, the average number of jobseekers went down 6 percent in 1956 as compared to the preceding year; while conversely the number of jobs available increased sharply. In April, 1957, as compared to the same month in 1956, the number of jobseekers was down 5 percent, while job openings were up 46 percent. With high grade technicians and skilled operators and mechanics there were more jobs offered than there were takers.

Increase in Special (Non-Base) Pay

Turning to wages, the total cash remuneration made to workers in all industry during 1956 came

1. EMPLOYMENT, UNEMPLOYMENT FIGURES
(Monthly averages in 10,000)

Month & Year	Total Jobholders	Farm-Forestry			Non-Farm			Completely Unemployed
		Self-employed	Family Members	Hired Personnel	Self-employed	Family Members	Hired Personnel	
1950	4,014	551	1,077	57	500	339	1,490	59
1953	4,150	562	1,116	54	516	341	1,564	69
1956	4,228	564	1,055	62	523	333	1,689	64
Against Previous Year..	(+) 78	(+) 2	(-) 55	(+) 8	(+) 7	(-) 8	(+) 125	(-) 5
March, 1957	4,230	532	888	62	550	355	1,841	82
Ag. Corr. Month, 1956	(+) 145	(-) 1	(-) 62	(+) 3	(+) 13	(+) 1	(+) 191	(-) 24
April, 1957	4,332	568	998	57	541	348	1,819	56
Ag. Corr. Month, 1956	(+) 90	(-) 3	(-) 75	0	(+) 22	(+) 10	(+) 137	(-) 11

Source: Prince Minister's Office.

2. NORMAL EMPLOYMENT INDICES
(1951=100)

Year & Month	All Industries	Mining	Manufacturing	Merchandising	Banking Insurance	Transportation, Communication	Construction
1954	111.4	81.3	113.0	138.5	142.6	110.7	143.1
1955	110.0	75.2	111.5	143.1	146.3	110.0	139.1
1956	113.3	75.0	116.1	150.3	148.3	111.1	128.3
Ag. Prev. Year	103.0	99.7	104.1	105.0	101.4	101.0	92.2
March, 1957	117.0	75.7	121.2	158.0	147.6	113.1	129.8
Ag. Corr. Month, 1956	105.6	101.4	107.8	107.3	100.0	102.9	99.4
April 1957	120.8	76.0	126.9	163.8	150.9	114.2	128.1
Ag. Corr. Month, 1956	106.5	101.6	109.0	108.3	99.9	103.1	100.9

Source: Ministry of Labor.

to a monthly average per capita of ¥20,200, a gain of 9.2 percent over the 1955 level (in 1955 the gain was 5.8 percent), indicating a steady uptrend. Because there was some rise in consumer prices the real wage becomes somewhat less, but even when this factor is considered there was a gain of 8.6 percent in 1956 (7 percent in 1955). As against the pre-war (1934-36) level, the increase is in the order of some 26 percent.

Notable as a feature of the wage situation in 1956 was the increases seen in midyear and yearend allowances (special pay) with a gain of some 24 percent over the level of 1955 (regular base pay went up only 7 percent), while the ratio of special to base pay came in 1956 to some 20 percent as against the 17 percent of 1955. This is the highest rate since 1947.

3. WAGE INDICES

Month & Year	Postwar Base (1951=100)		Prewar Base (1934-36=100)	
	Nominal	Real	Nominal	Real
1954	149.5	125.5	325.8	108.0
1955	158.2	134.3	340.4	114.5
1956	172.7	145.9	376.7	125.5
Ag. Prev. Year	161.0	108.6	110.7	109.6
March, 1957	161.0	131.5	333.4	108.2
Ag. Corres. Month, 1956 ..	104.9	101.5	102.8	100.5
April, 1957	163.4	130.8	348.7	113.1
Ag. Corres. Month, 1956 ..	107.3	104.2	104.3	102.4

Notes: Prewar base applies only to manufacturing.

Looking at the climb of wages during 1956 by comparing the level of each month with the corresponding month of 1955, there was until about midyear monthly gains of from 7 to 8 percent, excepting the "bonus" months, with a leveling off subsequently; and by March, 1957, the rate of gain had dropped to 4.9 percent. This is partly because the limits of the working hours were approached, while there was a big increase in low wage temporary workers. But in April this year, there was

4. GROWING NUMBER OF JOB-OFFERS

(Monthly average in 1,000)

	No. of Job-seekers	No. of Job-offers
1954	1,166	348
1955	1,283	353
1956	1,199	458
1956: January	1,571	614
February	1,513	635
March	1,371	571
April	1,267	487
May	1,209	431
June	1,158	399
July	1,137	381
August	1,100	384
September	1,062	416
October	1,051	441
November	956	402
December	948	333
1957: January	1,546	930
February	1,420	891
March	1,287	779
April	1,199	711

Note: Figures are those filed at job security offices.
Source: Ministry of Labor.

a heavy drive on the part of the unions for wage increases, and there was a jump in the rate of gain to 7.3 percent.

Because of the general increase in pay, the real income of worker households went up by more than 10 percent as compared to 1955 (some 5 percent increase in 1955). But on the other hand, there was no big spurt in consumer spending, especially since the tax abatement measures kept low the increase in non-consumer spending. Consequently, the balancing of household budgets was very much improved and real surpluses (the difference between real income and real spending) averaged out at 10.5 percent (8.2 percent in 1955) to exceed the 10 percent level for the first time since the war.

Needless to say, this is indicative of a recession of the propensity to spend on consumer items. (By propensity to spend is meant the ratio of consumer spending to the disposable income remaining after deducting non-consumer spending from the real income.) This ratio declined in 1956 to 88.2 percent, as against the 90.8 percent of 1955; and this too was the first time since the war that the 80 percent level was achieved.

But because there appeared a sharp increase from early 1957 of this propensity to spend there came to be expressed some apprehension on this score. During the first quarter of 1957 the monthly average stood at 95.4 percent, at a level higher than the 93.7 percent for the same period in 1955. This however appeared to have been in anticipation of wage hikes and tax reductions; and since April the ratio has dropped below that of 1955 (92.8 percent versus 93.1 percent).

Jobs Still not Plentiful

As explained above, all aspects of the labor economy indicate notable improvement. But this does not permit unconditional optimism. Even with the situation far better than before jobseekers outnumber job openings by 2.6 times (1956 average). Moreover, according to the Office of the Prime Minister the average number of jobseekers in 1956 desiring either change of jobs or employment for the first time came to 2,780,000 persons.

Even with employment much expanded, some 40 percent of the labor force newly hired in manufacturing at businesses with a workforce of not less than 30 comprised temporary workers whose status is of

5. HOUSEHOLD INCOME

(In yen per month, Urban Worker Households)

Month & Year	Real Income	Real Outgo	Consumer Spending	Non- Consumer Spending
1954	29,460	27,528	24,027	3,501
1955	30,977	28,447	24,971	3,476
1956	34,318	30,713	27,020	3,693
Ag. Prev. Year	110.8	107.9	108.3	106.2
March, 1957	31,740	30,960	27,593	3,367
Ag. Same Month, 1956 ..	106.6	108.5	109.1	322.4
April, 1957	32,303	30,219	28,713	2,406
Ag. Same Month, 1956 ..	104.2	103.8	109.5	83.3

Note: 5 persons to a household, 30.4 days to the month.
Source: Prime Minister's Office.

necessity unstable. Furthermore, there has in recent times been considerable progress in automation, designed to reduce industrial manpower requirements.

Bearing these factors in mind, it is seen that the difficulties in connection with the employment problem are numerous, all the more so since investment in various forms is being curbed. Should there appear any sign of an economic recession there will most certainly be adverse effects upon employment;

6. WAGE DIFFERENTIALS BY SIZE OF MANUFACTURING ENTERPRISES

Year & Month	More than 500 employed	100 to 499 workers	30 to 99 workers
1953	100.0	79.3	60.0
1954	100.0	77.6	59.9
1955	100.0	74.3	58.8
1956	100.0	72.1	56.1
March, 1956	100.0	76.8	62.7
April, 1956	100.0	75.1	62.4
March, 1957	100.0	74.4	61.9
April, 1957	100.0	72.7	61.5

Source: Ministry of Labor.

so the future does not permit much optimism. In addition to employment difficulties, there is the problem of wage differentials. As can be seen from Table 5 the gap in pay between big and small businesses has been steadily growing. For one thing productivity among the medium and small businesses has never been high, while the quality of the manpower they use also tends to be somewhat inferior.

However, in addition to these factors there can be cited such causes as excessive competition, squeezing by bigger businesses, absence or insignificance of labor organizations, and the existence of surplus manpower. It will first be necessary to remove these causes of wage differentials, but it may at the same time be advisable to enforce a minimum wage system.

Social Security in Japan

THERE has been steady expansion and consolidation of social security measures since the war. Particularly notable has been the positive effort expended to make possible the consolidation of the social insurance system and anti-tuberculosis measures in the current fiscal year (ending March 31, 1958). This is in part a reflection of the economic prosperity of recent years, but from the standpoint of benefit to the population as a whole the situation still is not altogether satisfactory; while although the present system as a whole is highly diversified in nature, there remain some notable discrepancies among the benefits granted.

General Structure of Japanese Social Security

The four main structural components of the social security system of Japan are: 1) public monetary aid, 2) social insurance, 3) social welfare measures, and 4) therapeutic aid.

The only system for public monetary aid is that administered under the Livelihood Protection Law; and this measure provides for the minimum level of social security to all destitute persons.

Social insurance provides for such exigencies as illness, unemployment, old age, and work accidents, and the forms and payments are extremely diverse. To employed persons there are applicable eleven forms of nationally administered insurance. These are: Health Insurance; Day Laborer Health Insurance; Welfare Annuity; Mariner Insurance; Unemployment Insurance; Workers Accident Compensation; National and Public Worker Mutual Aid; Public Enterprise Workers Mutual Aid; Municipal, Township and Village Workers Mutual Aid, Private Educational Workers Mutual Aid; and Township and Village Workers Pension Fund. Related to the above are the government and public workers pension system (excluding township and village employees), accident compensation, and silicosis and other occupa-

tional diseases aid. Unique, as a system covering people not of employed status, is the National Health Insurance. Among social welfare measures are those for child welfare, for disabled persons, survivors of dead servicemen, and underprivileged mothers, with funds provided for the extension of monetary loans. Tuberculosis countermeasures make up the main body of the therapy provided by the state; while prevention and suppression of contagious diseases are also undertaken. Pensions granted to former military personnel are sometimes included in social security, and also related are unemployment countermeasures and public housing for low-income households.

Beneficiaries

To what extent then are the Japanese people provided with social security in one form or another? According to a survey undertaken by the Social Security System Deliberation Council in August, 1956, the number of people covered by the various social insurance systems were as follows:

Therapeutic insurance	12.5 million
Unemployment insurance	11.9 million
Annuity insurance	11.5 million
Workers Accident Compensation ..	13.6 million

These make up 73 percent, 70 percent, 67 percent and 80 percent respectively of the employed population. Consequently, social security coverage now averages about 70 percent of the employed population. The unprotected 4 million workers are mainly those working for employers with less than 5 regular employees, while day laborers and other temporary workers must also be included.

With therapeutic insurance, when to the insured individuals at 12.5 million are added their dependents and those covered by the National Health Insurance

system, the total number of persons covered comes to about 61 million, about 68 percent of the Japanese population. Non-subscribers to any form of public health insurance still number 29 million persons.

What then are the costs of social security? Table 1 gives the Treasury burden (excluding pensions and public housing for low-income earners) under the Budget for fiscal 1957-58 at ¥122,600 million, up ¥9,200 million or 8 percent over the amount appropriated in fiscal 1956-57. This gain is slightly less than that of the Budget General Account, but as against the growth of the national income the rate of gain is bigger by less than a point. The total of Treasury outlays for social security will be for the current fiscal year some 1.5 percent of the estimated national income, while as compared to the Budget General Account appropriations the percentage comes to 10.8, notably higher than the less-than-two-percent level of prewar (after 1934).

When to the Treasury outlays for social security

1. COMPARISON OF TREASURY OUTLAYS FOR SOCIAL SECURITY WITH NATIONAL INCOME

(In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Increase
Budget General Account.....	1,137,469	1,034,922	102,542
(A).....	(109.9)	(100)	
National Income	8,180,000	7,610,000	570,000
(B).....	(107.5)	(100)	
Social Security Outlays	122,643	113,461	9,182
(C).....	(108.1)	(100)	
C/A.....	10.78%	10.95%	
C/B.....	1.50%	1.49%	

Sources: Budget, Ministry of Finance.
National Income, Economic Planning Board.

are added the local government subsidies, and the premiums and subscriptions paid in, the total in fiscal 1956-57, according to the Social Security Deliberation Council, came to ¥571,300 million, or 8.2 percent of the national income that year. From 5 percent of the national income in fiscal 1951-52, the percentage has been steadily growing—6.6 percent in fiscal 1953-54, and 8.1 percent in 1955-56.

Livelihood Protection Improved

Let us look a little further into the details of the social security measures planned for the current fiscal year. The Budget appropriations for social security total some ¥122,600 million (Cf. Table 2). This is an increase of some ¥9,200 million over the ¥113,400 million of fiscal 1956-57. Although this may appear small as compared to the ¥10,200 million increase in fiscal 1956-57 over the level of the preceding year, it must be admitted that the economic prosperity of recent years will have reduced the number of persons requiring livelihood aid, while the reduction of jobless workers should cut down the cost of unemployment countermeasures. Consequently, effective increase in the appropriations for social security in fiscal 1957-58 should measure up to previous boosts. Moreover, as will be explained more fully later, the grants in aid unit standards have been revised upward, so the content of livelihood protection has been substantially improved.

2. BUDGET APPROPRIATIONS FOR SOCIAL SECURITY

(In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Increase (Decrease)
Livelihood Protection	36,506	26,278	227
Social Welfare.....	9,311	7,621	1,690
War-Dead Survivors, &c.....	7,084	4,958	2,126
Social Insurance	20,151	16,069	4,082
Unemployment Countermeasures..	34,792	35,167	(375)
Tuberculosis Prevention	14,796	13,366	1,429
Total.....	122,642	113,460	9,181

Note: Figures rounded out at million yen.

Source: Ministry of Finance.

Details of the main appropriation items are given below. First come the expenditures for livelihood protection (Cf. Table 3). The total of ¥36,506 million is about the same as the amount earmarked for this purpose in fiscal 1956-57. Livelihood Protection aid grants include living costs aid, dwelling costs aid, education expenses aid, medical expenses aid, childbirth expenses aid, livelihood aid, and funeral and ceremonials expenses aid. The facilities administration cost item covers actual operation of the public facilities for livelihood protection. There were increases of ¥1,150 million, ¥450 million and ¥160 million respectively due to upward revision of the aid standards, addition of mother and child requirements, and facilities administration cost increase; while conversely the decrease in persons requiring aid is expected to result in a cost reduction of ¥1,520 million. Apart from those continuing to receive therapy aid, the persons seeking livelihood assistance are on the decrease because of better times. Whereas in March, 1956 there were 1,682,000 people granted monetary aid, the number in November stood at 1,512,000, a decline of about 170,000 persons. It is expected that the monthly average in fiscal 1957-58 will be at around 1,501,000 persons. With therapy aid, those receiving relatively low-cost out-patient aid are decreasing, but hospitalization cases are on the increase.

3. LIVELIHOOD PROTECTION EXPENDITURES

(In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Increase (Decrease)
Aid Grants.....	34,843	34,780	63
Livelihood Aid.....	13,819	14,326	(507)
Therapy Aid	18,606	18,717	(110)
Other Aid	2,417	1,736	681
Facilities Administration.....	1,015	849	166
Law Enforcement Costs	434	436	(1)
Facilities Maintenance.....	212	212	0
Total	36,506	36,278	227

Note: Figures rounded out at million yen.

Source: Ministry of Finance.

The standards for qualification to receive grants in aid were set in 1954. But because of subsequent rises in price levels and general betterment of living standards, it became necessary to revise the standards. This was done recently to become applicable from fiscal 1957-58. For instance, the base aid amount for a standard family of five in the City of Tokyo was increased by ¥616 and upped to ¥8,850 from the former ¥8,234. By this upward revision

of the standard, the number of households eligible for aid has increased by some 30,000.

To the base amount is added a further grant for destitute households headed by a mother with children. The monthly amount in Tokyo was ¥500, or ¥6,000 per year; but this has been doubled from the current fiscal year. This action makes eligible for aid some 170,000 households headed by destitute mothers, some 60,000 more than before.

Build-Up of Welfare Facilities

Social welfare outlays are as listed in Table 4, and there has been increase in all items. With childhood protection, the expansion of facilities will provide for the taking care of 323,000 children, an increase of 124,000 heads over the capacity in fiscal 1956-57. The amounts earmarked for meals and other expenses have also been increased.

In the field of low-income-earner aid, upward revisions have been made for welfare loans to mother-child households, and for household rehabilitation, while newly instituted is the system of loans for therapy expenses.

Womanhood protection takes on added significance from fiscal 1957-58 because the Prostitution Prohibition Law goes into effect to make necessary consultation centers, refuges, and other protective facilities.

A-bomb victims will now receive assistance on a nationwide basis. Whereas to date, only in Hiroshima and Nagasaki were therapy and health services conducted for research purposes, the new provision of aid covers all A-bomb sufferers regardless of location.

4. SOCIAL WELFARE EXPENDITURES
(In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Increase
Childhood Protection	7,018	6,431	586
Protective Measures	6,185	5,684	500
Guidance Centers	2,483	2,408	75
Boarding Facilities	3,702	3,276	425
Child Welfare Facilities	400	400	0
Disabled Children Facilities	134	112	21
Child Consultation Centers	298	235	63
Disabled Persons Protection	375	368	8
Motherhood Protection	590	450	140
Womanhood Protection	307	65	242
Household Rehabilitation Loans	300	100	200
Low-Income Earner Therapy Loans ..	200	0	200
A-Bomb Disability Compensation ..	173	25	147
Total, Including other	9,311	7,621	1,690

Note: Figures rounded out at million yen.
Source: Ministry of Finance.

Health Insurance Deficit Ended

The failure to make ends meet in connection with the government-operated health insurance system for some years in the past had become quite a political issue. But from fiscal 1957-58 this vexing problem should no longer be encountered. Let us look into the circumstances.

The deficit began to appear from toward the end of 1953, and the result, at the end of fiscal 1954-55 was an accumulated loss of ¥4,000 million. The causes of this loss were: 1) as against the growing volume of payments for therapy, the deflationary policy of the Government prevented wages (and

therefore premiums) from moving upward in any appreciable way; 2) medical progress and the growth of therapeutical facilities has greatly increased the treatment rate; 3) extensions of the payment periods; and 4) irregularities and dishonest practices.

Consequently, when compiling the Budget for 1955-56 measures were adopted for settling the fiscal 1954-55 deficit of ¥4,000 million and the 1955-56 loss of ¥6,000 million, a total of ¥10,000 million. ¥7,000 million of this amount was to be charged to the Treasury, while the balance of ¥3,000 million was to be charged to the insured employees and their employers. Although the insurance rate increase (to 0.65 percent from 0.6 percent) was approved by the Diet, the proposal for extending the standard pay scale met with opposition, so the fiscal 1956-57 Budget had to contend with an accumulated loss of ¥6,700 million. The plan proposed for settling this deficit was: 1) a ¥3,000 million subsidy from the Treasury; 2) ¥700 million extra by upgrading of the standard pay scale; 3) reduction of outgo by ¥3,000 million through scaling down of pharmacy charges and upping of the patient's share of therapy costs. This plan was based on the recommendations of the Social Insurance Deliberation Council, an advisory body of the Ministry of Welfare; but again the Opposition Socialists and the Medical Association (which on February 20, 1956 passed a resolution withdrawing the services of all practitioners from the Health Insurance system) together managed to block legislative action. The main contentions of the Medical Association were that the revision of the Health Insurance Law would strengthen the supervisory powers of the government, and that increasing the patient's share of medical expenses would cause a decline in the number of those seeking treatment. It was argued therefore that past deficits should be covered by a Treasury grant.

Things appeared very bad for the Health Insurance system. Fortunately, however, there was a definite economic upturn in 1956; and the rise in wages resulted in bigger revenue from premium payments. Furthermore, the 26th National Diet of this year passed amendments to the Health Insurance Law, which include revision of the standard pay scale to increase premiums for high wage earners. Consequently, the system in fiscal 1957-58 will probably be able to function without running up too much of a loss.

Similar action in regard to the Mariners Insurance system was taken, while with the Day Laborers Health Insurance, the Treasury share of the payments on treatment was raised from the former 10 percent to 15 percent to effect an improvement in conditions.

As for the National Health Insurance system, the subsidy in fiscal 1957-58 will be, as is shown in Table 5, some ¥12,200 million, up ¥3,400 million over the 1956-57 amount. As already mentioned, more than 30 percent of the population, some 30 mil-

lion persons, are not covered by any form of therapeutic insurance. The plan is to cover all these people in at least four years' time, the goal for fiscal 1957-58 is to increase the subscribers from the present 30 million to at least 35 million.

5. SOCIAL INSURANCE EXPENDITURES (In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Increase (Decrease)
To Welfare Insurance Special A/C.....	7,135	6,414	720
To Mariner Insurance Special A/C.....	337	349	(10)
Aid to Health Insurance Cooperatives ..	493	485	8
Aid to National Health Insurance	12,185	8,819	3,365
Total.....	20,151	16,069	4,082

Note: Figures rounded out at million yen.

Source: Ministry of Finance.

Tuberculosis Treatment at State Expense

For tuberculosis prevention, the plan, as in fiscal 1956-57, concentrates on early discovery and prompt treatment. Notable is the fact that from fiscal 1957-58 the whole cost of health examinations, preventive vaccination, and detailed examination of exposed family members will be charged to the Treasury. Moreover, surgical therapy is now included among treatment payable by the state, so almost all the principal cost items will be government responsibility. Consequently, the fiscal 1957-58 Budget gives an additional ¥1,400 million or so for anti-tuberculosis measures.

6. TUBERCULOSIS COUNTERMEASURES EXPENDITURES (In million yen)

	Fiscal 1957-58	Fiscal 1956-57	Increase (Decrease)
National T.B. Sanatoria	12,280	11,205	1,074
Aid to Tuberculosis Prevention Fund ..	2,423	2,001	422
T.B. Sanatoria Maintenance	52	122	(68)
Other.....	39	36	3
Total	14,796	13,366	1,429

Note: Figures rounded out at million yen.

Source: Ministry of Finance.

Pending Problems

In addition to the measures mentioned above, there has been appropriated ¥10,700,000 for setting up a National Annuity system. With this sum will be formed a National Annuity system Investigation Committee for preliminary studies, which will cover the actual living conditions of the aged, and widowed mothers with children.

All in all, it can be said that with the provisions made by the fiscal 1957-58 Budget the social security system has made a definite step forward. For one thing, as against the relatively small expansion of the outlays needed for unemployment countermeasures and livelihood protection, there was positive action to boost the spending on social insurance, welfare, and tuberculosis prevention. One big difference is the emphasis on prevention rather than cure of poverty and disease. This is the reason for the view that Japan's social security system is gaining in soundness.

Nevertheless, there are many problems remaining to be solved. The bigger among these are: 1) although relatively speaking the social security system has come to be applied to employed workers, very little has been done for non-employed people in general; 2) among the employed workers, the social security provisions for those working for employers with less than five employees still remain extremely unsatisfactory; 3) the disparities among the benefits obtainable from the various forms of social security measures are excessively large; 4) despite the knowledge that security for the aged must be promptly arranged, action has been extremely slow.

In short, what is needed is action to ensure that not only certain classes of the population, but all will benefit equally from substantial social security arrangements.

Foreign Capital Induction

THERE was quite an upsurge in induction of foreign investments during the 1956-57 fiscal year (ended March 31, 1957). This was due for the most part to the heavy investment in plant for improvement of production facilities ("rationalization"), the outcome of the successive years of prosperity and of the need to keep abreast of the postwar technical advances achieved by the world at large.

In fiscal 1956-57 there were concluded 144 technological assistance contracts, while loan extensions and acquisition of securities validated by the government totalled in value some \$414.9 million. This is the highest level achieved since the war.

High Activity in Fiscal 1956-57

Postwar investment in Japan by foreign interests began in June 1950, when the present Foreign In-

vestment Law went into effect. The most salient feature of this postwar influx of overseas capital and knowhow was the initial predominance of investment in petroleum refining facilities, followed later by thermal electric power generation equipment.

In 1951 and 1952, five Japanese oil companies entered into joint venture arrangements with United States and British firms to obtain access to crude oil supplies and to expedite restoration and expansion of refining facilities on the strength of the monetary and technological aid received. The outcome was a phenomenal surge in petroleum derivatives production.

With electric power, foreign investments were made in four power companies in 1953 and in 1956, mainly to cover acquisition of thermal power equip-

ment. The monetary assistance was for the most part extended by the World Bank; and this resulted in notable augmentation of the power generation capacity to contribute in a major way in mitigating the acute shortage of power that has harassed Japanese industry.

The cumulative totals of the various forms of postwar investment by foreign interests are: technological assistance contracts, 662; corporate stock acquisitions, \$50,192,000, investment and loan trust securities, \$933,000; corporate debentures, \$47,000; and straight loans, \$268,926,000.

1. FOREIGN CAPITAL INDUCTION

(In \$1,000)

Fiscal Year	Technological Assistance Contracts	Corporate Stock Acquisitions	Investment & Loan Trusts	Corporate Debentures	Straight Loans	Total
1950-51	27	3,150	—	—	—	3,150
1951-52	101	13,321	—	—	4,026	17,352
1952-53	133	10,123	146	25	34,457	44,751
1953-54	103	5,002	562	—	49,362	54,926
1954-55	82	3,970	58	—	15,279	19,307
1955-56	72	5,101	52	7	50,855	56,015
1956-57	144	9,520	115	15	114,947	124,597
Total	662	50,192	933	47	268,926	320,098

2. TECHNOLOGICAL ASSISTANCE CONTRACTS

Items	Fiscal Year								Countries		
	1950	1951	1952	1953	1954	1955	1956	Total	United States	Switzerland	West Germany
Spinning		4	5	7	8	1	12	37	36	0	0
		4	2					8			
Paper & Pulp		(2)	(1)	0	0	1	1	(3)	4	3	0
Chemical Industries											
Chemical Fibers		1	1	0	5	0	6	13	8	1	1
		3						43			
Pharmaceuticals & Agricultural Chemicals ..	(1)	11	4	10	6	4	5	(1)	22	10	2
		4	11					74			
Organic & Inorganic Chemicals	(2)	(1)	7	2	8	9	33	(3)	41	3	3
			4	2				16			
Other Chemical Industries	1	0	(3)	(1)	3	4	2	(4)	15	0	0
		8	23	16	14			146			
Sub-total	(3)	(1)	(3)	(1)	22	17	46	(8)	86	14	6
			14					23			
Petroleum Products	1	1	(5)	0	0	3	5	(5)	22	0	0
		2	2					12			
Glass, Stones & Ceramics	1	(1)	(1)	2	3	0	2	(2)	9	0	1
		6	3					18			
Rubber & Leather	1	(2)	(1)	0	2	1	5	(3)	15	0	0
		9						63			
Metal Products		(2)	16	8	4	7	18	(2)	31	1	6
Electric Machinery											
Industrial Electric Machinery		2	2	2	4	1	5	16	8	3	4
			6					13			
Electric Wires & Cables	2	3	(4)	0	0	1	1	(4)	10	0	1
		3	12	36				82			
Communication Equipments	(1)	(2)	(1)	(1)	16	7	6	(5)	75	0	2
		3	(1)	5				31			
Other Electric Machinery	1	(1)	4	(1)	2	8	8	(3)	27	1	2
		5	11	(6)	43			142			
Sub-total	(1)	(3)	24	(2)	22	17	20	(12)	120	4	10
		1	6		7			48			
Transportation Equipments	(1)	(1)	8	6	(1)	8	12	(3)	36	4	3
Other Machinery											
Prime Movers	3	(1)	12	4	0	2	4	34	7	18	5
				3				(1)			
Metal Processing Machinery		0	0	(1)	1	2	0	(1)	2	1	0
Textile Machinery	2	2	1	1	0	2	1	9	7	1	0
		22			13			100			
Other Machinery	4	(7)	25	11	(1)	10	15	(8)	61	5	13
		33		19	14			149			
Sub-total	9	(8)	38	(1)	(1)	16	20	(10)	77	25	16
		1		4				10			
Construction		(1)	2	(1)	0	1	2	(2)	7	1	1
		1	2					3			
Gas & Electricity Supply		(1)	(2)	0	0	0	0	(3)	3	0	0
Printing, Publishing & Entertainments	1	0	1	0	0	0	1	3	2	0	0
	27	101	133	103	82			662			
Total	(5)	(22)	(19)	(5)	(2)	72	144	(53)	448	52	44

Notes: Figures in brackets indicate the number of contracts expired. Other countries with which Japan has technological contracts include: France (22 cases), Italy (20), England (19), Canada (18), Sweden (14), Panama (10), Netherlands (4), Denmark (3), Austria (3), Lichtenstein (2), French (1), Morocco Australia (1) and Norway (1).

Technological Assistance

Reviewing the influx of technology since the war, two peaks are noted. Table 1 shows that the first peak occurred in 1951 through 1953, while the second came in fiscal 1956-57. The first rush was precipitated by the need to fill the technological vacuum created by the decade or so of wartime and postwar isolation. The period also coincided with the Korean War investment boom, so the flow of technology into Japan was greatly accelerated. There was a decline in 1954-55 through 1955-56, partly as a result of the curbs imposed by the government; but the wave of prosperity and high investment activity in 1955-56 and 1956-57 caused the second peak to occur in the latter year. The technology contracted for in fiscal 1956-57 covers a wide field, including among other things jet aircraft, aircraft parts and instruments, new drugs, polyethylene, petrochemicals, and urea; and is mostly concentrated upon the so-called new industries. Generally speaking several contracts are directly or indirectly involved for any single new industrial project. This is one reason for the great numerical increase of contracts in fiscal 1956-57. Table 2 gives a break-

down, by type and nationality, of the technological contracts signed. Of the 662 technological assistance arrangements made since the war, 448 were with United States, 52 with Swiss, 44 with German, 20 with Italian, 19 with British, 18 with Canadian, and 14 with Swedish interests. By industrial classification, 339 concerned machinery and manufacturing; 146 covered chemicals; 63, metals and metallurgy; 37, textiles; and 23, petroleum refining.

Corporate Stock Acquisitions

As will be seen from Table 1, foreign investors acquired \$9.5 million worth of corporate stock in fiscal 1956-57, considerably more than in fiscal 1954-55 and 1955-56. However, the level did not reach that of fiscal 1951-52 (\$13.3 million) or fiscal 1952-53 (\$10.1 million). Moreover, this was largely a reflection of the stock market recapitalization boom, and the bulk of the investment was in the form of additions to previously acquired holdings. The postwar aggregate of corporate stock acquisitions comes to some \$57.4 million, of which upwards of 70 percent were by Americans, followed by British, Canadian and German interests.

Straight Loans

In 1952 there was a great deal of lending to Japanese oil companies by United States and British petroleum interests. But subsequently loans to electric power and shipbuilding increased so that in 1953, 1955

and 1956 these credits mounted to an astonishing level. In 1953, the Chubu Power Company and the Kansai Power Company borrowed \$40.2 million from the World Bank for purchase of thermal generation equipment. In 1955-56, World Bank loans totalling \$13.4 million were extended to Yawata Iron & Steel, Fuji Iron & Steel, Toyota Motors, Ishikawajima Shipbuilding, Mitsubishi Shipbuilding, and Nippon Steel Tube.

In 1956-57 the total in loans came to \$114.9 million, a postwar record, the result mainly of loans aggregating \$75 million to the Tokyo, Kansai, Chubu and Kyushu power companies from the Export-Import Bank (Washington, D.C.), International General Electric, and Westinghouse. Some \$35.8 million were made available to Idemitsu Kosan and Showa Oil by American banks and British interests, while the World Bank advanced some \$20 million to Kawasaki Steel for the purchase of strip mill equipment to be installed at its Chiba plant.

World Bank credits to Japan have been \$40.2 million in fiscal 1953-54; \$13.4 million in fiscal 1955-56; and \$24.33 million in 1956-57, a total of \$77.9 million. The Export-Import Bank to date has granted \$25.9 million (fiscal 1956-57).

Interest on these loans stands at from 5 to 6 percent, and the channeling of the funds into the "bottleneck" industries has contributed in no small way toward development of the Japanese economy.

Payments for Foreign Capital Induction

How then is this foreign capital assistance being paid for? Remittances of interest and principal in accordance with the Foreign Investment Law totalled \$58.3 million in fiscal 1956-57, and it is estimated that the amount in fiscal 1957-58 will come to from \$70 million to \$80 million.

The \$58.3 million of fiscal 1956-57 consisted of \$28.4 million in royalties; \$21.4 million in repayment of loans; \$5.1 million in stock dividends; and \$2.7 million in interest payments. By nationality of foreign currency, these remittances which since 1950 have aggregated \$147.2 million comprised \$129.43 million worth of U.S. dollars, \$10.9 million worth of £ sterling, and 6.7 million worth settled on open account. Table 3 gives the details of these outgoing remittances.

3. FOREIGN EXCHANGE REMITTANCES UNDER THE FOREIGN INVESTMENT LAW

(In \$1,000)

Fiscal Year	Technological Assistance Royalties	Stock Dividends	Loan Interest	Stock Investments Repatriation	Trust Principal & Interest	Debentures Principal & Interest	Straight Loans Principal	Total
1950-51	501	0	0	0	0	0	0	501
1951-52	4,842	734	23	0	0	0	0	5,599
1952-53	8,156	1,860	138	0	0	0	700	10,854
1953-54	11,467	2,900	622	0	7	1	2,942	17,939
1954-55	13,011	3,761	1,151	275	14	2	4,970	17,939
1955-56	17,963	4,027	1,175	454	20	2	7,125	30,184
1956-57	28,417	5,141	2,762	599	24	0	21,419	58,362
Total	84,357	18,423	5,874	1,328	65	5	37,156	147,208

Source: Ministry of Finance



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Industry

Rolling Stock & Railway Equipment

IN the early postwar years, the lack of transport capacity, together with the shortages of steel and electric power, were regarded as the three main bottlenecks in the way of economic rehabilitation and development, and a cry for greater fabrication of rolling stock has since been getting louder and louder. The Japanese National Railways, has been pushing its expansion program on an unprecedentedly large scale.

Demand for rolling stock is usually stimulated by the replacement of obsolete cars and the installation of new efficient ones for rationalization and modernization of railway lines as well as the urgent need of building new rolling stock for greater transport capacity. But the latter appears to be by far the most important factor responsible for the current prosperity of the rolling stock industry. For the number of freight cars has failed to increase in line with the gradual growth of Japan's economic scale: i.e. at the end of fiscal 1956, or March 31, 1957, there were in operation not more than 106,223 freight cars compared with 116,553 units at the close of fiscal 1946, indicative of the serious shortage of rolling stock in use.

This does not mean, however, that new cars have not been built in this period, but that more old cars have had to be scrapped owing to the wartime lack of care and maintenance. To expand transport capacity abreast with the expansion of national economy, more new cars should have been built than obsolete cars scrapped, but it has been hardly possible to do so because budget appropriations have not been made sufficiently at least up to fiscal 1956.

National Railways Pushing a 5-Yr. Plan

In this light, the National Railways has launched upon a five-year plan as from fiscal 1957, with ample funds apportioned for this purpose. The plan was originally mapped out as part of the "Five-Year Plan for Self-standing Economy" announced in December, 1955, and it has been enlarged in scale with the additional investment of ¥95 billion as it has become all the more urgent to bolster transport capacity.

The total fund scheduled for this railway expansion program is set at ¥196.4 billion. And rolling stock to be newly put into service include the following: i.e. 795 electric locomotives, 620 diesel-electric locomotives, 850 passenger coaches, 2,340 diesel-electric cars, 2,360 electric coaches, and 24,000 freight cars.

To be built in the first year of the five-year plan, or fiscal 1957, are: 123 electric locomotives, 79 diesel-electric locomotives, 614 electric coaches, 342 diesel-electric cars, 200 passenger coaches, and 8,200 freight vans. The total cost of construction is scheduled at

about ¥50 billion, or twice as much as the annual appropriation in the past few years. For these, carriages, informal orders were already placed in February and April, 1957, with leading rolling stock builders, who have since been in a whirl of business.

It must be noted, however, that since June, this year, the Government has been pursuing the policy of tightening the screws on financing on the ground that Japan's international payments position has been worsening considerably. And it has become necessary to postpone some of the scheduled public fund investments by the Government. The National Railways, therefore, is requested to put off the payment of ¥10 billion for construction works, so the number of railway carriages to be built in the current fiscal year will decrease visibly.

This will bring about far-reaching effects not only on the implementation of the five-year plan but also on the management of rolling stock corporations. It is to be recalled that the unexpectedly difficult negotiations for contract prices between the National Railways and private rolling stock builders were ascribed to the former's very strong stand that cost could be cut off tangibly because its big orders would secure mass production, on the one hand, and, on the other, to the latter's claim that their business had long been in depression simply because they had been forced to accept very low selling prices. Should the expansion plan be scaled down as mentioned above, the National Railways could not stick to its stand to the last. The position would be worse for those builders who have been obliged to make concessions in price negotiations and to conclude contracts at prices far lower than they offered, for their business will be affected appreciably by the reduction of orders.

Private Railroads & Railway Equipment

The Private Railroads Management Association estimates that 3,123 electric cars will have to be newly built at the total cost of ¥47.8 billion for five years from fiscal 1957 to 1962, and that 1,635 electric cars will have to be re-built at the total cost of ¥10.7 billion in this period. Compared with such a big expansion program, not more than 550 cars, valued at ¥3.3 billion, were manufactured in fiscal 1955, and 801 cars, valued at ¥5.5 billion, in fiscal 1954. Thus, it can be seen that the private railroads will substantially boost their capacity upon completion of the five-year plan.

Manufacture is also rising for signals, alarms and other railway equipment. In carrying out its five-year plan, the National Railways is to put particular emphasis on the installation of signals and other equipment for prevention of accidents. And some ¥7.4 billion has been appropriated for alarms, signals, etc. within carriages. Besides, the modernization of signals and other station devices will be stepped up

more than ever. For this purpose, ¥1.0 or ¥1.2 billion has thus far been allotted annually, but the appropriation is expected to be doubled in the coming years.

1. PRODUCTION CAPACITY FOR ROLLING STOCK

	(In units)			
	Installed Capacity 1950	1955	Operating Capacity 1950	1955
Steam Locomotives	525	588	368	429
Electric Locomotives	155	181	58	139
Passenger & Electric Coaches	2,047	2,986	1,348	1,975
Freight Cars	13,470	20,700	8,905	12,108

Note: The installed capacity is estimated on the assumption that the existing plants operate under optimum conditions without any restriction imposed in labor, materials essential or subsidiary, electric power, technique, etc. The operating capacity is interpreted as attainable with equipment, labor and technical skill available under prevailing conditions.

Source: The Ministry or Transportation.

Building Capacity in Excess of Demand

The installed and operating capacities of rolling stock builders in fiscal 1950 and 1955, based on the Ministry of Transportation's survey, are shown in Table 1. It can be seen that the 1955 capacity for all kinds of rolling stock was far bigger than five years ago. Before the National Railways started its expansion plan as above referred to, building capacity had no doubt been in excess of actual demand, and the rate of operation had been considerably low. This might be noted in the fact that the production index for rolling stock in terms of standard freight cars has not yet reached the prewar (1936) mark, as listed in Table 2, while on the other hand prewar production records have been broken in many other lines.

2. ROLLING STOCK PRODUCTION INDEX BY YEAR

Fiscal Year	(In units)				
	Steam Locomotives	Electric Locomotives	Passenger Coaches	Freight Cars	Composite Index (in terms of freight cars)
1956	100	100	100	100	100
1940	218	254	172	183	198
1945	31	68	12	22	24
1950	28	18	12	92	67
1954	37	381	179	76	84
1955	17	279	115	94	78

Source: The Japan Railway Rolling Stock Industry Association.

It is worth mentioning that postwar production has been below the prewar level for steam locomotives and freight cars, especially for the former, though far above for electric locomotives and passenger coaches. As for steam locomotives, the National Railways has been suspending new construction since 1953 in view of their very low efficiency, and builders have since been restricting their business to remodeling of those in service at home and fabrication of new ones for foreign customers. Before World War II, steam locomotives had been the most important product in this industry, but their place has been taken by electric locomotives, the postwar output of which has increased conspicuously.

In this manner, the industry has been undergoing a structural change since the war's end. Before and during the war, such old-timers as Japan Rolling Stock Mfg., Kisha Seizo, Teikoku Car & Mfg. and

Kinki Sharyo had been exercising predominant influence in this line. With the growing transition from steam propulsion to electric traction in the National Railways, however, the production of steam locomotives has been on the steady decline contrasted to the rising importance of electric locomotives and carriages. As the result, electrical machinery manufacturers, particularly Hitachi, Tokyo Shibaura Electric, Mitsubishi Electric Mfg. and Toyo Electric Mfg., have gradually been building up their firm positions as rolling stock makers as well. On the other hand, leading steam locomotive firms have been reorganizing their plants for fabrication of diesel-electric locomotives.

The postwar stagnancy of freight car production has apparently been ascribed, for the most part, to the smallness of orders from the National Railways. In fiscal 1956, however, the National Railways issued a bigger order and is expected to hurry up continuously the installation of freight vans for years to come. Production, therefore, will pick up more or less.

Overseas Sales Getting Bigger & Wider

All over the world, capacity appears to eclipse demand in the rolling stock industry. In both England and Germany, where there is almost no room for further expansion of railway service, domestic needs are too limited to keep the industry operating on the present level, so utmost efforts are being concentrated upon greater overseas shipments.

Almost the same will turn out the case with Japan's rolling stock industry with increasing indications of over-capacity. It is to be recalled here that even before the war Japan attained self-sufficiency in rolling stock and exported a large portion of her production to Korea, Taiwan, Saghalien, Manchuria, Chinese mainland, etc. In 1940, for instance, nearly one half of the total production was sold to overseas possessions and East Asian countries. And these markets were practically monopolized by Japanese interests.

3. EXPORT CONTRACTS FOR ROLLING STOCK

Country	(In ¥1,000,000)						
	1950	1951	1952	1953	1954	1955	1956*
Thailand	1,356	35	1,002	724	—	2,827	1,554
India	—	—	—	4,314	1,630	4,249	302
Chile	—	—	1,304	—	—	—	—
Pakistan	207	1,009	—	—	—	24	—
Burma	—	—	—	571	549	121	2,059
Taiwan	146	—	155	13	56	15	584
Philippines	256	33	—	—	36	500	634
Argentina	—	—	—	—	245	1,965	—
Uruguay	—	—	—	—	—	761	—
Brazil	—	—	—	—	—	—	2,419
Costa Rica	—	—	—	—	—	—	16
Iran	—	—	—	—	—	—	133
Indonesia	—	—	—	—	—	—	309
Special Procurements	4,009	2,474	1,465	1,089	—	62	—
Total	5,974	3,551	3,927	6,711	2,515	10,525	8,010

*Estimated on the basis of the Japan Railway Rolling Stock Exporters Association's survey.

Source: The Japan Railway Rolling Stock Industry Association.

With the war's end, however, the situation changed completely. Japan was disallowed to monopolize these neighboring markets abroad. Still worse, her trade

relations with China were completely severed. Domestic needs were not sufficient enough to keep the industry on high gear. Thus, rolling stock builders have been obliged to cultivate outlets in South-east Asia, Latin America and the Near and Middle East. Major countries in these parts of the world are all trying hard to bolster their railway services for economic development and industrialization, and they are ready to purchase railway vehicles and equipment. On these markets, however, the industrial nations in the West have firmly established themselves as vendors, and Japan has found herself in a very disadvantageous position. For all this, Japan's exports have been curving up markedly in the past few years as listed in Table 3.

The visible growth of export contracts with the Philippines and Burma was attributed to the increased sales in form of war reparations. With this as the turning point, however, successful campaigns have been made to advance into other markets in South-east Asia.

India is no doubt one of the best clients in this part of the world, but in 1954 she bought from Japan not more than 7.2% of her total rolling stock imports according to UN statistics. On the other hand, the three biggest vendors of West Germany, Belgium and England in the order named accounted for well over 20% of the total. To promote their sales to India, therefore, Japanese rolling stock makers have to face a severe competition with the Western rivals.

But Thailand appears to have been almost monopolized by Japanese rolling stock builders, who have successfully built up their position to the extent that they account for as much as 71% of that country's total carriage purchases. This market, however, is far smaller than the vast one in the Indian subcontinent, so there is no much leeway left for further expansion of Japan's sales.

It must also be noted that in some under-developed countries, such as India and Brazil, ambitious plans are under way to promote the rolling stock industry and thereby to make a long step toward self-supply in transport equipment. Some Japanese rolling stock builders are thinking of offering technical service for manufacture of rolling stock and railway equipment in these countries. And some attempts for such economic cooperation are proceeding successfully, and more will be undertaken in the future.

In fiscal 1957, the export goals are scheduled at \$35 million (¥12.6 billion), or the same as in the preceding year. Of this total, \$16 million is for the Dollar Area, particularly Iran and Chile (in fiscal 1956, the goal for this area set at \$16 million and shipments coming at only \$0.82 million); \$22.1 million for the Sterling Area, India in particular (\$17.5 and \$20.15 million, respectively); and \$9.9 million for the Open Account Area, including Brazil, Indonesia and Taiwan (\$1.5 and \$1.59 million, respectively). These targets have been estimated and fixed mainly on



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the basis of inquiries coming from major client countries.

Rolling stock builders are asking the authorities concerned to take adequate measures for more fruitful economic diplomacy, smoother supply of basic materials at stabilized lower prices, etc. so that their export goals may be attained without fail. In this respect, it is noteworthy that the COCOM embargo on shipments to China, or the biggest market prior to the war, has recently been lifted except for some special items.

As for railway equipment, overseas sales had been confined to such markets as Taiwan and Korea and quite negligible in volume. In 1955, however, a sizeable contract was concluded with Burma, though in form of war reparations, for electric signals at Mandalay and 26 other railway stations. Later another agreement was signed with Iran. Thus, it is expected that Japan-made signals and other equipment will be sold increasingly as their good performances are recognized abroad.

Japan Rolling Stock Mfg. Co.

Simultaneously with Kisha Seizo Kaisha, this firm was established as early as in 1896 in Nagoya. As demand got brisker than ever with the nationalization of railways and the encouragement of domestic manufacture of railway vehicles and equipment, in 1920 it opened a plant in the Tokyo district, which has later developed into the present Tokyo Warabi Plant. In 1924, a locomotive factory was built in the compound of its main plant in Nagoya. Before and during the war, the company sold abroad, mainly to Manchuria, nearly 60% of its production, accounting for about a quarter of Japan's total rolling stock exports.

The company now is making various locomotives, passenger coaches, freight wagons, motors, controllers and other car parts and accessories, switches, switch pointers, signals and all sorts of railway equipment. Its present capacity is rated at 144 standard locomotives per year (54 steam, 45 electric and 45 diesel-electric locomotives), 716 electric passenger cars and 3,600 freight vans, with the rate of operation standing at about 80%.

In fiscal 1956 closing with March, 1957, 58 locomotives, 344 electric passenger cars and 2,600 freight vans were manufactured, or 25% of the nation's total. Including all other products, the company's total output added up to nearly ¥7,500 million.

Since the war's end the company's overseas sales have summed up to about ¥7,800 million, or over 30% of the nation's total in this period. Customers are India, Pakistan, Burma, the Philippines, Thailand, Taiwan, and other Asian countries. Recently, export contracts have come to be signed with Brazil and Indonesia as well.

With upwards of ¥100 million invested annually for remodeling and replacement of equipment, the company has successfully modernized its plants.

Technical cooperation talks are under way with a Swiss firm, Schweizerische Industrie Gesellschaft, for manufacture of light weight coaches. The high standard of its techniques and the good performances of its manufactures are well recognized at home and abroad. A British consultant-engineer, who in 1956 visited Japan to inspect locomotives bound for Burma, reportedly admired the quality of locomotives made by this company.

Kisha Seizo Kaisha

Established in 1896 for local manufacture and self-supply of locomotives, this is one of the oldest firms in this industry. One of its promoters was the late Masaru Inouye, popularly known as the father of the Japanese railways, who could secure liberal aid not only from such Meiji dignitaries as Kaoru Inouye, Eiichi Shibusawa and Yanosuke Iwasaki but also from feudal lords, like Mohri, Maeda and Hachisuka, and from financial cliques, including Okura, Fujita, Sumitomo and Yasuda.

Japan-made locomotive No. 1 was completed in 1901. In the same year, the company started manufacturing bridge frames and machine-tools. Since 1917 it has been making boilers as well.

In the six-month business term ending with March, 1957, the company received ¥1,490 million worth of orders, or 35% of the total, for railway rolling stock; ¥470 million, or 11%, for bridge frames; ¥2,090 million, or 49%, for boilers; and ¥170 million, or 4%, for machinery. It is noteworthy that boilers eclipsed rolling stock because orders for them came briskly from leading pulp and chemical companies.

Of the total new business, the National Railways comprised ¥1,390 million, or 33%; private railroads ¥60 million, or 2%; other governmental and private clients ¥2,570 million, or 61%; and exports not more than ¥220 million, or 5%.

In export trade, the company has long been far behind other rolling stock builders. Recently, however, it has started concentrating promotional efforts on bigger overseas shipments, especially to Taiwan. It has sold freight cars to Burma and the Philippines, though in form of war reparations. It is particularly worth mentioning that the company has exported to India freight cars manufactured in accordance with the Japanese Industrial Standards (JIS), though it has failed to secure a satisfactory margin in this deal. For India has thus far been buying only rolling stock based on the British standards. It is said that the 10 subway cars for which Japan has recently got her tender accepted by Argentina will be fabricated by this company.

Kawasaki Rolling Stock Mfg. Co.

This is one of the major outfits of Kawasaki Zaibatsu, its history dating as far back as 1906 when the former Kawasaki Shipyard founded a plant at Hyogo-ku, Kobe. In 1928, the Hyogo Plant became independent and was incorporated into a rolling stock firm under the present title. Since 1942, when its auto plant and equipment were transferred to another

Kawasaki establishment, Kawasaki Aircraft, the company has been making exclusively all kinds of locomotives, rolling stock and allied products.

Its annual sales topping ¥4,000 million, this firm, together with Japan Rolling Stock Mfg. and Kisha Seizo, are the three big makers in this industry. It is boasting of time-honored experience and high technique.

In the early postwar years, the company was plunged into depression with the loss of overseas markets in the Continent and with the ever-intensifying rivalry among local makers. But business has recently turned for the better thanks to the successful rationalization efforts for cost reduction plus the brisking-up of demand at home and abroad. At present, the company holds a total backlog of nearly ¥5,000 million, equivalent to well over its 12 months' operations.

The company is providing most of its products with the National Railways as is the case with other leading concerns in the industry. Some 15-20% of its output is sold abroad every year. In promoting export trade, however, the company has been exercising utmost caution as in 1955 it suffered a loss in exporting a large amount of freight cars to India. It now is trying to cultivate new outlets in Brazil, Argentina, etc. and, moreover, to undertake joint sales with Kinki Rolling Stock Mfg. for prevention of any unnecessary competition with local makers. Salesmen of this firm fear that the Communist countries will dump their products in Southeast Asia, and they hope South America will turn out the most promising market, though American and German interests have so far been predominating in this part of the Western hemisphere. If made on the basis of well-planned marketing research, Japanese rolling stock will be able to enjoy good sales in this market. It is reported, for instance, that passenger cars with polyvinyl chloride-covered seats, made by this company, are enjoying popularity in Brazil.

Kinki Rolling Stock Mfg. Co.

This is a successor to the Tanaka Rolling Stock Works set up in 1920 by Mr. Tasuke Tanaka. In 1939, the Tanaka Rolling Stock Works was formally incorporated as a joint stock concern entitled Tanaka Rolling Stock Co., simultaneously with the construction of its main plant at Fuse City, Osaka. After the war's end, the company changed its name to the present one in 1945, when most of its shares were bought by Kinki Nippon Railway or the biggest railway company in the Kinki district.

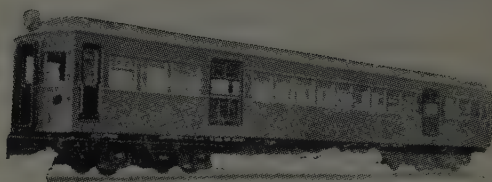
The company has since been rehabilitating and expanding its business under well-coordinated management of the mother firm. Its sales amounting to ¥2,500 million a year, it now is one of the rolling stock builders of medium standing.

In 1935, the company entered into a contract with Swiss Car & Elevator Mfg. Corp., Schlieren-Zürich, Switzerland, for exclusive manufacture and sales in Japan and other Asian countries of light weight coaches



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and bogies. (Patent royalties are set at \$150-200 per coach with a down payment of ¥40,000, and no royalty is needed after the cumulative remittance, including the down payment, exceed \$92,500.) These light weight cars, popularly known as the Schlieren type, are enjoying popularity among private railroad operators as they have higher efficiency and less joggling. Some of these cars have already been exported to Thailand.

Overseas sales have been growing substantially since 1956, and they now account for about 40% of the total output. Destinations are Thailand, Burma, the Philippines, Argentina, Brazil, etc. For shipments to South America, the company is closely cooperating with Kawasaki Rolling Stock Mfg. as mentioned elsewhere.

The company's current backlog is estimated at about ¥2,700 million, of which export contracts, inclusive of war reparations to Burma and the Philippines, comprise nearly 40%. There is good hope that exports will be as brisk as ever.

Teikoku Car & Mfg. Co.

The Umebachi Iron Works, started as a private business in 1890 by the late Mr. Yasutaro Umebachi, was reorganized as a joint stock concern in 1936, with some of its key posts being occupied by representatives of Keisei Dentetsu K.K., one of the largest railway operators in the Tokyo area. In 1941, it changed its name to the present one, simultaneously with the construction of a new main plant at a new site in Sakai City. Though its history is not so old as that of some first-class makers, it has firmly established itself as medium standing interest in the industry, with its annual sales roughly estimated at ¥2,500 million.

It is noteworthy that the company succeeded in fabricating light weight coaches and diesel rail cars for the first time in Japan. It is also well-known for its unique point-crossings and hardened rails, particularly the former.

Overseas inquiries have been so active that exports now comprise nearly 40% of the total production. Major clients abroad are Taiwan, the Philippines, Thailand, Burma, India, Uruguay, etc. Exported in great quantities have been passenger coaches and freight cars, but purchase offers are getting brisk also for point-crossings. In 1956, the company got a ¥700-million joint contract with Japan Rolling Stock Mfg.

The company has been striving for greater exports through better quality and lower cost. Though so far monopolized by Western interests, even countries in Africa and the Near and Middle East will be promising markets for Japanese rolling stock and railway equipment. In this light, the company has started a series of marketing researches in those parts of the world.

Fuji Car Manufacturing Co.

This company is manufacturing not only rolling stock but also machinery (electric washers, hand

knitting machines, etc.), high pressure vessels (for propane gas, etc.), and castings under well-coordinated management by Ishihara brothers, President Jutaro Ishihara and Managing Director Tomekichi Ishihara. Thus, it is reaping relatively high profits and paying a relatively high dividend among rolling stock builders.

The company's history dates back to 1924 when the Ishiharas started manufacture of forging and pressing machines in Osaka. The Ishiharas' business was absorbed in 1941 by Osaka Steel Mfg. Co. Three years later, however, the new main plant constructed at the present location was again made independent from Osaka Steel Mfg. and incorporated into Fuji Machine Mfg. Co. With the war's termination, the company in 1945 changed its title to the present one as its rolling stock plant was enlarged.

In 1955, the company concluded a contract with the Thai Government for supply of necessary frames for three bridges (one of them is a drawbridge). And it newly set up a bridge frame department.

Rolling stock and bridge frames combined account for 50-60% of the total sales estimated at not more than ¥1,500 million a year. So the company is not so big in scale as other interests in this line.

Six-month sales of rolling stock totalled ¥130 million from July through December, 1955. Though it dropped to ¥101 million in the following business term, the figure sharply curved up to ¥369 million in the second half of 1956 and to ¥789 million in the first half of 1957. Of these semi-annual sales, exports comprised 26%, 28%, 51% and 78%, respectively. Thailand is by far the best client for this firm, and other customers are Burma, India, Indonesia, etc. With a branch office set up in Bangkok, the company will concentrate more efforts on further sales in Thailand.

As for bridge frames, the above-mentioned contract with Thailand will be fulfilled by the fall of 1957. Bridge frames of this type have got such reputation in Thailand that a new contract has recently been signed with Burma as war reparations goods.

Nippon Yusoki K.K.

Since its establishment in 1937 at Nagaokacho, Kyoto prefecture, the company has been specializing in battery locomotives and transport cars in close cooperation with Japan Storage Battery widely known as GS battery makers. In 1951, it commenced fabrication of diesel-electric locomotives and cars as well, this time in collaboration with Mitsubishi Heavy Industries, Reorganized.

Six-month sales totalled ¥326 million in the business term ending with March, 1956, and the figure jumped to ¥485 and ¥694 million, respectively, in the following two terms.

Of the total turnover in the last term (closing with March, 1957), battery locomotives comprised 31.7%, diesel transport cars 26.2%, diesel-electric locomotives 10.9%, battery transport cars 3.3%, parts and accessories 11.2%, electric locomotives 1.2%, electri-

cal equipment 3.5%, and others (conveyers, trailers, etc. 12.0%. Classified by customers, 43.0% of this delivery went to manufacturing industries, 8.6% to coal mines, 23.8% to metal mines, 1.3% to governmental quarters, 3.6% to railways, and 19.7% to other circles.

Such growth of industrial vehicle sales is attributed to the increase and acceleration of deliveries, the speeding-up of transport and the reduction of labor cost as energetically carried out in major industries for rationalization and higher productivity. This tendency will get all the more accentuated in the future, and demand for industrial vehicles will increase more than ever. In this light, the company has been bolstering and diversifying its lines of business, including forklift trucks, shovel cars and dump cars as well.

Though overseas sales have so far been rather small, the company has sold some battery locomotives to Burma, Taiwan, etc. And it is flooded by brisk inquiries from Ceylon, Chile, etc. Shipments to these countries are expected to pick up as development works and industrialization programs proceed in the future.

Tokyu Car Manufacturing Co.

This company is quite a newcomer in the industry, its establishment dating back only to 1948. It was in June, 1946, that Tokyo Electric Express Railway (better known as Tokyu), its mother firm, started re-building war-damaged rolling stock of its own by leasing part of a naval fuel depot at Kana-zawa, Yokohama City. In 1958, however, the holding company was ordered to reorganize itself into four smaller electric railway firms, i.e. Odakyu, Keio-Teito and Keihin as well as Tokyu, under the Economic Deconcentration Law. At the same time, its rolling stock plant in Yokohama was incorporated as an independent establishment, and it was later named Tokyu Car Manufacturing Co.

In 1949, the company first succeeded in getting orders for electric cars and freight vans from the National Railways. Since about that time it has been securing an increasing amount of orders not only from the four electric railways of Tokyu extraction but from other private railroads as well. And it has gradually bolstered its position as rolling stock builders. In this respect, it is to be noted that as it has excellent technique in electric car building (particularly for private railroads), the company started with great success making diesel rail cars just at the moment when the National Railways was about to put into service cars of this type increasingly on its local lines. This no doubt greatly contributed to its ever-expanding business at present.

Thanks to its positive efforts for overseas sales, the company has got purchase offers for freight vans and diesel cars from Taiwan, the Philippines, Thailand, etc. It is also manufacturing war reparations cars to be shipped to Burma.

In the semi-annual term closing with November,

1956, car sales added up to nearly ¥1,100 million. Of this total, about ¥500 million, or 43%, was for private railroads; ¥420 million, or 36%, for the National Railways; and ¥180 million, or 15%, for exports. These combined came at 93% of the grand total turnover, including trailers, auto bodies, construction machines, castings and other products.

Nippon Signal Co.

Established in 1928, this firm, together with Kyosan Engineering Works, are the two big signal makers in Japan. In 1929, it entered into a tieup contract, financial and technical, with General Railway Signal of the United States. With a view to catering to the rising demand in the Continent, it constructed a plant at Dairen, Kwantung Province under Japanese rule at that time, in 1935 and opened another overseas shop in Korea in 1942.

When the war was over, the company suffered a serious setback, but it has gradually recovered itself thanks to the ever-growing needs for its major manufactures, such as electric signals, mechanical signals, switches and crossings.

In the business term ending with April, 1957, the company sold ¥190 million worth, or 40% of the total turnover, to the National Railways; ¥70 million, or 15%, to private railroads; and ¥80 million, or 16%, to governmental offices and agencies. As governmental purchases thus account for more than one half, its business has been dependent upon the size of budget appropriations, or a very unstable

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factor. But prospects now appear to be quite bright because the National Railways' buying of railway equipment is expected to be doubled for five years to come as already mentioned.

Export outlook is also encouraging as underdeveloped countries in Southeast Asia and the Near and Middle East are stepping up their railway construction programs. Though these areas have thus far been almost monopolized by British and German interests, the company has recently succeeded in securing a ¥300-million order for electric signals from Iran, where demand for signals, etc. will increase in the future. In the international tender sponsored by Ceylon, too, it successfully competed with Siemens interests of Germany. Shipments also will increase to China if and when the COCOM embargo is lifted or relaxed.

Last but not least, the company has launched upon fabrication of automation equipment as it has superior technique for making of relays, which are indispensable for automation as well as electric signaling. Abreast with the wider application of automatic methods in major industries, its business will expand markedly in this division as well.

Kyosan Engineering Works

Though founded in 1917 for manufacture of electric medical instruments, four years later the company started making railway signals, which had long been purchased from abroad. Later it entered into a technical cooperation agreement with Union Switch & Signal (Westinghouse Air Brake at present) of the United States and broadened its business activities into electrical equipment and rectifiers. During the war, it opened branches in mainland China and set up an overseas subsidiary, Manchuria Signal Co., for marketing in Manchuria and North China.

The company experienced a lot of difficulties in postwar rehabilitation, for its head office and plants had seriously been damaged by U.S. air raids. But it has successfully built up the foundation upon which it now can look forward to growing business.

Major products at present are safety appliances (signals and switches in particular) and rectifiers. Of the total sales, signals account for 70% or so, and rectifiers nearly 10%.

In the field of export trade, the company has sold ¥200 million worth of electric signals, though as war reparations, to Burma. This contract was originally signed on the basis of the company's cheapest bid in an international tender, but it has later been revised so that signals may be shipped as war reparations. Shipments have also been made to Korea, Taiwan, etc. And inquiries are coming from the Philippines and other Southeast Asian countries.

The National Railways, or the best client for signals, will buy twice as much as in the past years because utmost efforts are to be directed toward prevention of accidents and electrification as part of the five-year plan.

The technical collaboration with Westinghouse Air Brake, suspended during the war, was revived in February, 1955. In 1957, the company signed a new tieup contract with another U.S. firm, International Rectifier. And it has since been hurrying up a plan of establishing a daughter firm for manufacture of silicone rectifiers.

Jurisdiction Over Foreign Military Personnel

By Minoru Tsuda

IN the past there seldom occurred instances of the stationing of large bodies of troops by one friendly power in the territory of another in peace-time. But today this has become a widely accepted practice; and it follows that in addition to purely military personnel there are present a large number of civilian component and their dependents. Typical of such a situation are the presence of foreign military forces in the countries participating in the North Atlantic Treaty Organization, and the stationing of United States ground, air and sea forces in Japan.

Because, when such foreign troops are stationed in a given country, the actions of the troops comprise a manifestation of the sovereignty of the stationing nation the matter of court jurisdiction over the members of the force is one of the key conditions in any agreement governing the stationing of foreign military forces. The receiving nation normally attempts to exercise the maximum possible jurisdiction over the members (that is to say the military members, civilian components and dependents) of the stationed forces; while conversely the stationing nation desires to retain its own jurisdiction to the fullest extent. This makes it extremely difficult to effect a harmonious adjustment of opinions. Nevertheless, a reasonable solution of this problem was effected by the Agreement between the Parties to the North Atlantic Treaty regarding the Status of their Forces, a pact signed in London on June 19, 1951; while in the case of the United States forces in Japan, the Security Treaty between Japan and the United States, signed in San Francisco on September 8, 1951, states that "the conditions which shall govern disposition of armed forces of the United States of America in and about Japan shall be determined by administrative agreements between the two Governments." The procedure in regard to court jurisdiction over criminal offenses by military personnel stationed in Japan was agreed upon by the Administrative Agreement under Article III of the Security Treaty between Japan and the United States of America, signed in Tokyo on February 28, 1952. Article 17 of this Administrative Agreement covers this matter, and it was stipulated that pending the coming into force of the NATO status of forces agreement the United States Government would exercise exclusive jurisdiction over members of the United States forces, civilian components and their dependents in Japan. However, this interim arrangement was the cause of various arguments

and contentions; so when early in April, 1953 the Foreign Relations Committee of the United States Senate commenced deliberations on the NATO Status of Forces Agreement, the Japanese Government on April 14, 1953 formally requested the United States Government to amend Article 17 of the Administrative Agreement in accordance with the provisions of Paragraph 1 of that Article. This request was acceded to by the United States Government. Subsequently, on April 23, the United States Senate Foreign Relations Committee approved the NATO Status of Forces Agreement, but there was considerable debate in the Senate, particularly in connection with Article 7, dealing with jurisdiction over criminal offenses. However, Congressional approval was obtained on May 15, and the Agreement was signed by the President. On July 24 the ratification procedure was completed, and 30 days later, on August 23, the NATO Status of Forces Agreement went into effect for the United States of America. On September 29, 1953 there was signed in Tokyo the Protocol to Amend Article 17 of the Administrative Agreement under Article III of the Security Treaty between Japan and the United States of America, and 30 days later, on October 29, 1953, the same terms as stipulated by Article 7 of the NATO Status of Forces Agreement went into effect between Japan and the United States.

In principle, under international law, unless there is a special agreement between the parties involved the state is entitled to exercise criminal jurisdiction over all persons in its territory, and for military personnel, including civilian components and dependents to obtain immunity, some special arrangement must be agreed upon. The NATO Status of Forces Agreement, and Article 17, as amended, of the Administrative Agreement between Japan and the United States are typical of such special arrangements, and are noteworthy in that they are typical of the extreme reasonableness of the understandings now existing among modern states.

Going into the contents of these arrangements, the NATO Agreement and the United States-Japan Administrative Agreement are identical, and the stipulations of the latter are as follows:

1. The military authorities of the United States shall have the right to exercise within Japan criminal and disciplinary jurisdiction over all persons subject to the military law of the United States.
2. The authorities of Japan shall have jurisdic-

tion over members of the United States Armed Forces, the civilian component, and dependents with respect to offenses committed within the territory of Japan and punishable by the law of Japan.

3. Because of concurrence of jurisdiction over members of the United States Armed Forces, the civilian component, and dependents in applying the principles stated in 1 and 2 above, the military authorities of the United States shall have the primary right to exercise jurisdiction in the following cases:

i. Offenses solely against the property or security of the United States, or offenses solely against the person or property of another member of the United States Armed Forces or the civilian component or of a dependent.

ii. Offenses arising out of any act or omission done in the performance of official duty.

In the case of any other offense the authorities of Japan shall have the primary right to exercise jurisdiction.

4. If the State having the primary right decides not to exercise jurisdiction it shall notify the authorities of the other state as soon as practicable.

5. The authorities of the State having the primary right shall give sympathetic consideration to a request from the authorities of the other State for a waiver of its rights in cases where the other State considers such waiver to be of particular importance.

6. The authorities of both nations shall assist each other in the arrest of members of the United States armed forces, the civilian components, or their dependents in the territory of Japan and in handing them over to the authority which is to exercise jurisdiction.

Article 17 of the Administrative Agreement, as amended and giving the provisions outlined above,

Offense	Number of Offenders	Disposition		
		Indicted	Indicted in Summary Procedure	Not Yet Disposed
Arson	28	4		24
Murder	12	4		8
Robbery	287	69		218
Robbery Causing Death or Injury	227	73		154
Rape	150	6		144
Indecent Assault	30	0		30
Rape Causing Death or Injury	86	24		62
Obstructing Official Business	138	4		134
Wounding	2,649	32	2	2,579
Wounding Causing Death	16	2	1	13
Acts of Violence	1,326	0		1,326
Wounding or Death Through Negligence in Line of Profession	4,653	80	130	4,356
Theft	2,088	21		2,057
Fraud	890	3		879
Blackmail	101	1		98
Trespass on Domicile	213	1		209
Offense Against Road Control Law	11,729	1	10	11,544
Offense Against Narcotics Control Law or Opium Law	59	4		53
Offense Against Customs Law	165	14	2	144
Other Offenses	2,526	8	6	2,470
Total	27,373	351	151	26,474

Note: The total of "not yet disposed" cases is the number as of April 30, 1957.

went into effect on October 29, 1953. In the three and a half years since that time, up to April 30, 1957, the number of offenders and types of offenses were as listed below.

As will be clear from the above tabulation, the number of offenders for which investigation were carried out totalled 27,373. Excluding the undisposed cases, the total comes to 26,976; and of these only 502 or 1.4 percent were indicted. This figure includes those which were indicted in summary procedure. Consequently, it can be seen that the indictment rate is extremely low, particularly in comparison to the rate that applies to the indigenous population. The main reason for this, however, is that the United States authorities are expected, even when no indictment is made by the Japanese authorities, to mete out punishment or take disciplinary action as they see fit. The offense with the largest number of cases is wounding or wounding causing death through negligence in the line of profession, and these are mainly traffic accidents involving motor vehicles. The Japanese Criminal Code in Article 211 states: "Every person who has failed to use necessary professional care and has thereby killed or injured another person shall be punished by imprisonment not more than three years or be fined not more than ¥50,000."

Next in frequency are wounding and theft. Offenses against the Road Control Law, traffic violations and speeding, were also numerous at 11,729 cases, but only 11 indictments were served. High in the indictment rate is robbery causing death or injury, at 32 percent.

In the event a member of the United States Armed Forces, the civilian component, or a dependent is indicted under Japanese law, he is assured the following rights by the Administrative Agreement:

He shall be entitled to

- 1) prompt and speedy trial
- 2) be informed, in advance of trial, of the charges made against him
- 3) be confronted with the witnesses against him
- 4) have compulsory process for obtaining witness in his favor, if they are within the jurisdiction of Japan
- 5) have legal representation of his own choice for his defense or to have free or assisted legal representation under the conditions prevailing for the time being in Japan
- 6) have the services of a competent interpreter, if he considers it necessary
- 7) communicate with a representative of the Government of the United States and to have such representative present at his trial.

Under the Constitution of Japan he is further assured the following rights:

- 1) He (a member of the United States Armed Forces, the civilian component, or a dependent) shall not be arrested or detained without the immediate privilege of counsel; nor shall he be detained

without adequate cause; and upon demand of any person such cause must be immediately shown in open court in his presence and the presence of his counsel

- 2) He shall enjoy the right to a public trial by an impartial tribunal
- 3) He shall not be compelled to testify against himself
- 4) He shall be permitted full opportunity to examine all witnesses
- 5) No cruel punishments shall be imposed upon him.

The Japanese Government maintains a special detention house for members of the United States Armed Forces and the United Nations Forces, civilian component, and dependents, at Yokosuka, some thirty miles to the southwest of Tokyo. As of June 6, 1957, there were 35 detainees of whom 33 were of United States nationality. Japanese and other foreigners are completely segregated. The 33 United States detainees were serving for the following offenses: Robbery, 9; Robbery causing injury, 16; Murder, 1; Robbery causing death, 2; Rape causing injury, 2; Attempted rape 1; Injury, 2.

The terms being served were: not more than 15 years, 2; not more than 10 years, 6; not more than 5 years, 17; not more than 3 years, 6; not more than 1 year, 2.

The reason for the extremely small number of detainees despite the 502 indictments up to April 30, 1957 was that of the 502 indictments served, 151 were punished with a fine through summary court actions. Moreover, many cases, although normally deserving of punishment were handed down suspended sentences; while paroles from confinement have also been numerous.

The Yokosuka detention house is of adequately modern design and construction. Each cell is centrally heated, contains a flush toilet, wash basin, running water, bed, a centrally controlled radio speaker which is tuned to the Armed Forces Far East Network, and other necessary comfort items. Meals are of western cooking; and although the amount depends on the work given to the detainees the minimum level of 4,300 calories is rigidly maintained. The work assignments include: pipe-bending (furniture components), radio repairing, shoe repairing, &c. Two full-time physicians regularly check the detainees' health, and a dentist is available. If a man becomes seriously ill, he is taken to the Yokosuka U.S. Navy Hospital. The detention house contains a clinic, X-ray room, operating room and a dental clinic.

Japanese jurisdiction over members of the United States Armed Forces, the civilian components, and dependents, is currently exercised in the manner outlined above. Furthermore, there is extremely smooth cooperation between the American and Japanese authorities in regard to the exercise of jurisdiction. For the rare occurrences of a problem, the solution is handled by the Joint Committee appointed under Article 26 of the Administrative Agreement and the criminal jurisdiction subcommittee of the Joint Committee.

In the recent incident caused by the firing of a grenade launcher by SP3 William S. Girard at Camp Weir, the two bodies mentioned above did arrive at

what is thought to be a satisfactory solution.

In concluding, two specific cases of exercise by Japan of the primary right of jurisdiction will be cited.

The first of these examples is the case involving an Army sergeant. On October 31, 1953, while on patrol duty from midnight to 8 o'clock in the morning in the city of Maizuru, near Kyoto, this man was riding a jeep driven by a Japanese. At about 3:10 A.M. he alighted from the jeep near an isolated dwelling within the city limits and forced his way inside. He threatened the housewife (then 38 years old), who was asleep, with his pistol and assaulted the woman in various ways including choking, and attempted to rape her. The woman, however, managed to escape, and because of her calls for help he was unable to consummate his act; but in the struggle he had inflicted injury requiring 10 days of treatment. In dealing with this case, the Kyoto District Court, the court of first instance, sentenced him to penal servitude for 2 years 6 months. The defendant appealed to the Osaka Higher Court, but his appeal was rejected. His counsel therefore took the case to the Supreme Court. The decision of the court of first instance had been confirmed but the argument of counsel was that item 3 (a) (ii) of Article 17 of the Administrative Agreement—offenses arising out of any act or omission done in the performance of official duty—had been misinterpreted and that the Japanese courts had taken up a case over which they had no jurisdiction. The Supreme Court, however, ruled that "in the performance of official duty" is not synonymous with "while on official duty" and that the defendant, although supposedly on duty at the time of the offense, certainly was not acting in performance of official duty.

The second example is that of two privates, first class, of a unit stationed at Chitose in Hokkaido. These men on April 17, 1954 was drinking alcoholic beverages at a eating and drinking establishment in the vicinity of their unit. After using up all the money they had they went to the house of an acquaintance by the name of Shin (37 years of age at that time); but there being no reply to their calls and knocks they entered the house and made away with a small hand safe containing among other things some watches and rings. They were discovered by Shin and chased. The couple in order to escape, joined in throttling the pursuer; and upon killing him stripped him of the money (about \$40) on his person as well as of his ring and watch. The Sapporo District Court sentenced these men to penal servitude for 15 years and this sentence became finally binding. This to date has been the stiffest sentence handed down by Japanese courts to foreign military personnel. In the strictest sense, these offenses under the Japanese Criminal Code should have called for death or life imprisonment since these are crimes of robbery and murder. The court ruled that the men were in a strange country, and the original offense had taken place under the influence of alcohol, that this had led to the second graver offense. This certainly is a very lenient and considerate judgement.

(The writer is Chief, Secretarial Section, Office of the Minister of Justice)

Payments Position and Business

By Shuzo Watano

THE Government on June 19, last, announced a series of emergency measures for "betterment of the balance of international payments." Although these measures are termed "emergency," many of the details remain to be worked out. However, it is indeed a major change in approach, from the dependence on credit curbs alone to coordinated actions involving government finance, industry and trade for overcoming the external accounts deficit.

Excessive Investment

Since last year, particularly during the first five months of 1957, huge sums have been spent for importation of industrial raw materials. This merely provided a potential for future reduction of import volume, but gave no definite assurance of betterment, by a corresponding amount, of Japan's international balance of payments. Consequently, other pressures would have to be applied in order to make possible any change for the better. The first of these was the strong controls exercised by the Bank of Japan over credit extension to customers, and the upping of the basic and other interest rates. The second phase involves the so-called integrated measures, the series of actions for reduction of the external accounts deficit.

Only by application of these pressures would it be possible to trim down the huge import purchases by causing the goods already brought in, including raw materials, intermediate items, and finished products, to become a burden upon the owners.

The problem now centers upon the integrated measures which are to follow upon the intensive curbing of credit. In what way and when can these be expected to bear down upon import purchases and bring relief to the balance of payments situation?

In order to make any prediction, it will first be necessary to study the nature of the investment activities since the second half of 1956.

Generally speaking, 1953 was the turning point, marking the shift from the consumption boom of the preceding year to the investment boom that followed. It is conceded that 1956 was, like 1953, a year of booming investment. This explanation is not entirely mistaken. But it must be pointed out that the investment activities of 1956 were, in both size and speed, far greater than those of 1953. In volume, the level of 1951, the year of the Korean War boom, was also topped by a considerable margin.

Using the figures on the rate of growth of capital formation made available by the "National Income Report" of the Economic Planning Board, the results for the past six years appear as shown in Table 1.

As explained in the footnotes of the table, the rates are corrected for price changes, so they are generally indicative of the real rate of capital formation growth. It is seen that in 1956 the increase in private investment, including private dwellings, was as much as 50 percent over the preceding year. In fiscal 1951-52 (prosperous years after the outbreak of Korean War) the growth was by only 13.3 percent,

1. RATE OF GROWTH OF CAPITAL FORMATION
(Increase over preceding year, percentage)

	Private			Government	Total
	Producers' Durable Facilities	Inventory Increase	Subtotal		
1951.....	14.5	16.6	13.3	61.4	23.6
1952.....	1.6	35.7	13.7	23.4	5.6
1953.....	15.9	0.9	11.3	24.0	15.0
1954.....	(-) 3.9	(-) 27.5	(-) 10.4	(-) 8.4	(-) 9.8
1955.....	(-) 6.2	17.2	0.9	21.6	7.4
1956.....	52.2	58.4	50.5	(-) 8.1	29.3

- Notes: 1. Private Subtotal includes private dwellings.
2. 1951 growth rates are fiscal 1951-52 vs. fiscal 1950-51; others, calendar years.
3. Corrections made for price fluctuations by using EPB composite price index.

Source: "National Income Report" Economic Planning Board.

while in 1953 (the year of investment boom) the rate was 11.3 percent. These rates show how great was the increase that took place in 1956. The total capital existing at the end of 1956 was at a level which would have been attained if in 1954 and subsequently the growth rate of 1953 had been steadily maintained. Moreover, in the case of private capital the rates of increase for both producers' durable facilities (equipment investment) and inventories (inventory investment) were about the same. In other words there was no disequilibrium as was the case in 1953 when inventories tended to be neglected, or in 1955 when the reverse occurred. Generally speaking, therefore, the pattern was very much like that of the 1951 Korean War boom.

Incidentally, while private investment flourished there actually occurred a slowdown of the rate of government capital formation. This was due mainly to the decrease in inventory of government-purchased foodstuff. But even after this negative aspect is taken into account, the total capital formation rate for 1956 was substantially higher than that of 1951, and at nearly double that of 1953. Furthermore the capital formation (investment) of 1956 occurred in an extremely sudden manner, with the bulk of the increase judged to have taken place in the second half of the year.

The "National Income Report" gives only the totals for each year. But if another source, "The Actual General Supply-Demand of Funds," published by the Finance Administration Bureau of the Ministry of Finance is drawn upon the situation was as indicated in Table 2, with funds made available in big amounts only after the start of the second half of 1956. This tendency was particularly strong in the case of credits to private enterprise.

2. FUNDS AVAILABILITY
(In million yen)

	Private Loans		Government Loans	Total Incl. Other Sources
	Equipment	Working Capital		
1954	82,100	268,600	52,000	372,600
1955: 1st half ..	72,400	111,000	39,800	225,000
2nd half ..	54,500	353,700	44,800	439,000
1956: 1st half ..	101,000	266,800	43,600	458,600
2nd half ..	164,400	685,400	43,000	955,200

Note: "Other sources" includes bonds, debentures, corporate shares.
Source: "Actual General Supply-Demand of Funds" Finance Administration Bureau, Ministry of Finance.

The release of funds, of course, was the result of putting to use the money accumulated by private and government financial institutions. The figures under "Private Loans" do not include funds obtained by private business through sale of corporate stock or from accumulated reserves. But these are not of any great significance. According to the Tokyo Securities Exchange the payments for corporate shares (for equipment and working capital, loan repayment excluded) became notably bigger as 1956 went by, but the level in the first half of 1956 was just barely over the level of the first half of 1954. Capital paid up in 1956 set a new record of ¥200,000 million, but 85 percent of this amount was paid during the second half of the year.

3. CORPORATE CAPITAL PAID UP

	Equipment Funds	Working Capital	Total
1954: 1st half	39,100	24,400	63,500
2nd half	26,000	19,500	45,500
1955: 1st half	24,900	14,000	38,900
2nd half	18,900	13,600	32,500
1956: 1st half	31,500	47,700	79,300
2nd half	121,100	49,600	170,700

Source: Tokyo Securities Exchange.

The high investment fever which appeared in the second half of 1956 was not dampened at all by the credit curbs enforced in May this year. This is clear in the light of the increase in bank lendings since the start of 1957, the strong urge to undertake corporate recapitalization. According to Ministry of International Trade and Industry figures covering January and February, the plans for investment in facilities during fiscal 1957-58 call for funds some 7.6 percent in excess of the actual level during the second half of fiscal 1956-57. Even with corrections made on the assumption that prices would go up 5 percent there still remains a growth of 2.2 percent, which is indicative of the economic undercurrent.

Background Unlike that of 1954

It is considered that the magnitude and speed of investment in 1956 reflect the advent of a new phase of the postwar rehabilitation and growth of Japanese industry. It became obvious that iron and steel, transportation, and energy sources would not be in adequate supply by makeshift means. The pressure must somehow be relieved by slowing down the climb of production, but this is no easy matter.

With this in mind, the best means of gauging the extent and the speed of the manifestations of the curb measures should be to base one's predictions on the effects caused by the disinflationary actions of 1954.

It was in December, 1953 that the Yoshida Government, faced with the necessity of preventing further outflow of foreign exchange and obtaining MSA aid, decided upon a 10 percent slash of the national budget for fiscal 1954-55; and it was in March, 1954 that the Bank of Japan put into force a series of stringent credit curbs including a basic revision of the higher interests application system and the upping of interest rates. (The Bank of Japan had been enforcing the higher interests application rates system on a stricter basis since October, 1953, and had been re-

stricting credit for import purchases, but the severity of the measures was nothing like that of the actions taken in March, 1954. Moreover, the Government itself in an extraordinary session of the Diet proposed and had passed measures for upping the pay of government employees and for upward revision of the price of rice.)

The order of events was the reverse that of the present actions to conserve foreign exchange. But in so far as the retrenchment budget went into effect from April, 1954, it can be considered that the credit curb actually preceded the other retrenchment measures.

The results in 1954 were that prices promptly declined: the reports circulating about the proposed retrenchment caused prices to soften as early as March, and the Tokyo Wholesale Price Index (Bank of Japan) dropped steadily for five months in a row up through July, with the level down 6.4 percent as against the February mark. The weekly wholesale price index compiled by the Economic Planning Board showed an even sharper drop, with the mid-August figure at 8.7 percent below the mid-March level.

The decline in prices affected production unexpectedly soon. According to the Ministry of International Trade and Industry the industrial (mining and manufacturing) production index lagged only slightly behind the price indices, and with March, 1954 as the peak there was a steady decline for five months by about 10.3 percent.

- Because the effects appeared so promptly, there were many business failures, and there was a marked increase in bad bills from March. Business reorganizations also increased in number and the 1,000 cases in July, 1954 became a postwar record. On the other hand, the betterment of the payments position also came about expeditiously. The Bank of Japan Foreign Exchange Receipts and Payments Report indicated in June, 1954, only three months after the implementation of the retrenchment measures, a surplus balance, marking the end of a long period of deficit operation. Subsequently, for 19 months up to December, 1956, the only months in which deficit appeared were July and August of 1956.

If the same pattern of events are to be expected, then prices should start declining from the month of enforcement, while production should similarly fall off a month behind. The monthly balance of payments then should become favorable from about August. Because wholesale prices began declining in May, the pattern may be somewhat like that of 1954, but there is some doubt as to whether production can be made to decline from June. Moreover, there is little or no likelihood that the monthly balance of payments can be made to be in Japan's favor from August.

There can be cited three major reasons for the prompt efficacy of the measures instituted in 1954. The first is that the business boom which lasted through 1953 was not supported by world prosperity. It was mainly the result of domestic requirements,

so the retrenchment measures were intensely felt.

Second, the boom was supported by internal requirements, not the result of heavy investment in industry, but of consumer needs. This is evident from the fact that while the real production growth rates in 1952 and 1953 were 10.2 percent and 11.4 percent respectively the rate of capital formation in those years was relatively low (Cf. Table 1). Although, unlike investment, consumer spending cannot be easily repressed by credit curbs, its effect on the stimulation of prosperity is also indirect. Then, because of the steady increase of consumption for three years since 1951, the postwar lack of necessities had about disappeared, and the credit curb and retrenchment policy led, as everyone knows, to normalization of the Japanese economy.

Third, the price level was quite different in 1954. Although the rises in 1952 and 1953 were slight, the inflation of prices resulting from the Korean War boom had been so excessive that Japanese prices remained well above world prices. The retrenchment measures of 1954 were effective in correcting this mismatch.

Betterment of the Payments Position will be Gradual

Seen in this way, it is soon realized that although the aim is the same, the circumstances differ considerably. The prosperity enjoyed since 1955 has been due for the most part to investment, not to consumption. Moreover, this investment activity, though sudden, has only started, and there is little

or no sign of diminution. Consequently, it is not at all surprising that the retrenchment measures have not brought about immediate results in decline of prices and production.

This means that improvement of the payments position will take a longer time. Another matter that cannot be overlooked is the fact that the leading nations of the world from the spring of 1954 emerged from the reaction to the Korean War boom, and they progressed mightily on a wave of great prosperity. This stimulated in no little way the sale abroad of Japanese goods, and the economic recession resulting from the stringent retrenchment measures was halted relatively soon. Although there appears to be no great probability of the world prosperity fading out, the situation is not quite the same as the upsurge seen after the spring of 1954. Here again lurks another factor which might well delay the betterment of Japan's payments position.

However, so long as there is a definite target in respect of improving the balance of payments, there should be no particular dismay over delays in achievement of the goal. Even if the goal can be reached promptly, the sacrifices and disruptions may not warrant such a shortcut. It is believed that the situation calls above all for a reasonable policy, conforming to the general requirements of the nation, and that such a policy should be implemented with wisdom and patience.

(The writer is Editor of the Oriental Economist).

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Kaleidoscope

Bigger Tax Revenue:—The Ministry of Finance published on July 10 the final figures of tax and stamp revenue for 1956. According to the report, the total revenue from the general account taxes and stamps amounted to ¥950,215 million 8% more than expected in the revised budget. This is virtually ¥123,498 million more than envisaged in the original budget. Compared to the meager ¥5,140 million increase in 1955, the 1956 figure is really impressive.

Popularization of Modern Farm Equipments:—According to the report published by the Ministry of Agriculture & Forestry on July 8, the number of farm households having motors increased in the past year by 8.6% to 1,343,000, while the number of motors possessed grew by 7.9% to 993,000. 1,734,000 farm households now operate engines, while the number of engines possessed stands at 1,414,000. This is an increase of 30.5% and 30% respectively over the preceding one-year term. The number of the farmers equipped with small tractors stands at 20,700, an amazing growth of 44.7% over the preceding year.

Land Price Boom:—The Industrial Bank of Japan published on June 29 the long-awaited reports of the land prices of 139 major cities in Japan. According to the reports, which list the March-end prices of land, the average price index of city area stands at 42,571 (September-end, 1936=100). This is an 11% increase over 1956 March-end. The average price index of the 6 major cities stands at 28,146, a growth of 12% over the preceding year. By locality, commercial area advanced by 7% housing districts and industrial districts advanced by 15% and 17% respectively. This is a clear indication that the booming business which has lasted now for 2 years has had an encouraging effect on the race for housing and industrial districts.

Steel Production:—According to the reports published on July 8 by the Japan Iron & Steel Federation, the first half production of blast blister steel, 6,490,000 tons; furnace pig iron reached 3,259,000 tons; hot rolled steel materials, 4,621,000 tons and hot rolled special steel materials, 343,000 tons, all post-war new highs. Moreover, barring special steel, the production is now well over the pre-war peaks. In terms of yearly growth, blast furnace pig iron advanced by 14%; blister steel by 17% ordinary steel materials by 19% and special steel materials by 38%.

Dwindling Ship Orders:—Due to the word-wide weakening of freight prices and the tightening of money, the orders for new ships have begun to dwindle, especially in those shipyards where no mammoth tankers are made. According to the Transportation Ministry investigation, the average backlog of ship orders in the 24 major shipyards would cover 2.1 more years. When taken alone, those shipbuilders who do not accept mammoth oil tanker orders have only 1.2 more year amount of backlog in their hands. With the ship owners getting more and more mammoth tanker-minded each year, the prospect for the smaller freighter makers is rather gloomy.

Power Development:—How should Japan meet the ever-growing demand for more electricity? MITI answered the above question in the recently published Power White Paper. The potential water power in Japan is roughly estimated to be around 22,500,000 KW. If the 5-year plan now in force (1956-1960) is completed, MITI estimates, the total water power supply in Japan would reach 12,400,000 KW and al-

most all the profitable water resources would be developed. So not much hope is placed on the possibility of meteoric rise in importance of water power. Thermal power electricity would be more easily obtained and used to best advantage. However, the fuels needed to supply the required electricity in terms of coal would reach 17,500,000 tons in 1960 and 37,000,000 tons in 1957. It is next to impossible to turn out the vast amount of coal within Japan. So the only solution to this electricity shortage dilemma would either be the unlimited importation of coal and oil or the industrial use of nuclear power.

Net Foreign Exchange Profit Rate:—Net profit rate of foreign exchange (value of exported materials minus value of imported materials divided by value of exported materials) registered the post-war high in 1956. This is the conclusion reached by the MITI investigators with the cooperation of the Economic Planning Board. According to the report, the net profit rate of foreign exchange grew by 3.3% to 82.1%. The main reason for this advance is credited to the bigger exports of heavy and chemical industry products, where the net profit rate is very high. The net profit rates in the past few years are: 81% for 1952; 78.8% for 1953; 77.1% for 1954; 78.8% for 1955.

Corporate Income:—The Tax Agency published on July 17 the announced incomes for the term ending April, 1957 of the 111 bigger companies (with ¥100,000,000 capital). Industries which advanced by leaps and bounds include machinery (51.1% over the preceding term), primary metals (48.2%), textiles (13.1%). Textile industry, which has been reputed to be the biggest flop of the season due to the price cuts, stood unexpectedly firm because of its vigorous sales campaign and high-g geared production. The top ten income earners of the term are: Kawasaki Iron & Steel (¥3,000,000), Tokyo Spinning (¥2,337,000), Dainippon Spinning (¥1,844,000), Kubota Iron Works (¥1,337,000), Nisshin Spinning (¥1,331,000), Kanegafuchi Spinning (¥1,311,000), Kurashiki Spinning (¥1,085,000), Daiwa Spinning (¥1,049,000), Fuji Photo Film (¥810,000) and Shikishima Spinning (¥766,000).

Automobile Production:—According to the report published on July 17 by the Japan Automobile Association, the total automobile production in the first half of 1957 amounted to 90,000, almost twice as many as the figure in the same period a year ago. Automobile exports likewise fared unexpectedly well with 2,676 cars having already crossed the sea. This is more than the number of cars exported during the whole 1956. Production by types of cars are: medium models, 25,579 (14,527 in the same period in 1956); midget models, 57,305 (26,269); foreign models, 7,180 (4,599) and the total 90,082 (45,345).

Growing Ship Bottoms:—Ship bottoms are growing and at an amazing pace. This is the conclusion reached in the new "Transportation White Paper" published on July 20 by the Transportation Ministry. As of the end of March, 1957, the total tonnage of Japan's merchant marine reached 3,860,000, a growth of 470,000 gross tons over the corresponding time in 1956. Of this total, 3,130,000 tons are ocean-going ships with 3,000 or more tons. As another 630,000 tons are going to be added to this ocean-going fleet during the fiscal 1957, the total as of the end of March, 1958 will easily top 3,800,000 tons. By the time of the 1958 fiscal year end, Japan will have more than four million gross tons of merchant fleet.

Glimpses of Japanese Culture

Publishers and Readers

This article aims to give the reader some of basic information about the publishing and reading practices in Japan. It is edited from Mr. Kakuzaemon Nunokawa's "A Cross-Section of Japan's Publishing World" (*Books*, Mar. 1957) "Publication of Translated Works in Japan" (*Beisho Dayori*, Apr. 1957) also by Mr. Nunokawa, and Mr. Masao Okamoto's "How Books are Read—The Results of Reading Survey at Book Stores" (*Books*, Apr. 1957), by permission of the authors and *Books* and *Beisho Dayori*.

Japan's Publishing World

Launching a new publishing venture appears to possess a countenance which is alluring rather than forbidding to enterprising people in Japan. Budding publishers are numerous. New names appear every year. Yet few manage to carry on their business more than a few years. Many die young in the hazardous road towards maturity. Take those who made their débuts in 1930. Nearly half of them broke up their business by 1935. Another five years had tolled the knell of half the 1935 survivors, leaving only about a quarter of the 1930 débutants.

Despite so many deaths of publishing firms, however, the number of all publishing companies fluctuated little each year during those ten years. The total number neither decreased below 1,600 nor did it exceed 2,000. The relative stability in the total number means that while there are many who went out of business so many firms came into existence.

This relative stability in the total number of publishers has continued to the present day except during the war when new publishers were not allowed and in 1948 and 1949 when the publishing business had an unusual boom. (In 1948, there were 4,581 publishing firms, an unheard-of number of publishers, and the number of books published reached a record high). Since 1953, the total number of publishers neither declined below 1,800 nor surpassed 2,200.

At the end of 1955, the publishers totaled 1,938 and as of September 1956, they numbered 2,107. Thus the total number of publishing companies in Japan has been usually around 2,000, occasionally fluctuating a little depending on the given economic circumstances and the public trends. Only less than 15% of the total seem to have continued the steady streams in the precarious river of the publishing trade.

The publishing firms in Japan are said to be small scale firms. Let us examine the scale of Japanese publishing firms in their workforces. According to a survey made by Japan Publishing Club in October 1955, of the 872 companies that answered the inquiry, 64% are those who have less than a workforce of 10 persons. Those who have more than 50 workers totaled 64, comprising only 7% of the total. Those who have more than 500 workers totaled only four companies out of the 872 surveyed. Of these four firms, three are publishers of textbooks. Workforces of these textbook publishers seem to have included those persons engaged in printing. The remaining company is Kodansha.

The total workforce of the 872 companies is about 17,000 persons, a quarter of which is reported to be women. This survey is not based on the entire publishing business in Japan. But those publishers not included in this survey are probably those who have a workforce of less than 20 persons.

The workforce scale is not the sole factor in determining the nature of a publisher, but it usually reflect the quantities of books published by the firm. About 700 publishers issue at least a new book or a new printing of a book monthly. Reportedly 141 companies published more than 32 books during 1956.

The bulk of publishing firms are concentrated in Tokyo. According to *Publishing News*, of the total 2,107 companies in Japan, 1,714 are in Tokyo. The combined total of those who are in Osaka and Kyoto is 187 companies. At present, there are no publishing firms in Gunma, Yamaguchi, Kagawa

and Nagasaki prefectures, and there are only one or two publishing firms in Iwate and other 16 prefectures. This clearly shows that the bulk of publications are distributed from Tokyo to the entire country.

According to statistics made in 1955, the total copies of magazines circulated during the year amounted to the tune of some 331 millions, of which some 326 millions were produced in Tokyo. Books published in the same year totaled some 139 million copies, of which 137 million copies were produced in Tokyo. Thus Tokyo produces about 96% of the total publications in one year.

How People Read

The Japanese Society for the Science of Reading made a survey of reading in mid-December 1956 with those who bought books at retail shops in the 23 Wards of the Metropolis of Tokyo. A previous survey of this type was made in 1953. The results of these surveys will show you how people read in the capital of Japan.

Here a brief explanation of method taken in the surveys is in place. There are about 1,000 retail book stores in the 23 Wards of Tokyo. By stratified random sampling, stores were selected and a surveyor attached by the counter of the store counted the books sold, and every n th book and the person who bought it was surveyed according to the prepared questionnaire. In this manner, one fortieth of books sold in the retail shops in Tokyo were sampled. This method not only enables us to obtain detailed answers directly from the questioned but has the following advantage.

Those surveys which take the method of sending out questionnaires to the general public give equal chance of answering the questionnaire invariably to those who buy only one book and to those who buy 50 books in one year. In the surveys made at the book store counter, the latter will have the rate of chance fifty times higher than the former. That is to say the opinions and behaviours of those who buy 50 books were included in the results of the surveys with a weight (rate of number of persons \times 50) against the opinions and behaviours of the group of persons who buy only one book a year. Thus these surveys will give a better picture of Japan's reading public based on actual purchases.

The Society's 1956 survey revealed that about 30,000 copies are being sold per day in the retail shops in Tokyo. In the 1953 survey, it was about 23,000 copies. Thus 1956 figure is an increase of 30% over 1953. However, some hold that 1956 figure does not indicate special boom of publishing since, 1953 saw a considerable depression in the publishing trade in Japan.

The average price of books sold in 1953 was ¥183 and that in 1956 was ¥174, showing no rise in the average price. This also indicates that publishers tried hard to keep prices of books down despite the rise in cost for paper, advertisement, and other expenses.

The breakdown of books sold by price reveals that both in 1953 and 1956, those above ¥50 up to ¥100 take the highest percentage of the total at around 30%. Here it is interesting to note that books priced at ¥101-200 nearly doubled in the percentage of the total from 13.5% to 39%. This rise reflects the phenomenal popularity in *shinsho-ban* after 1953. (The *shinsho-ban* is the format of books which is about the size of *Pelican Books* or *Pocket Books* while *bunko-ban* is a smaller format that is exactly like Reclams Universel Bibliothek in Germany.)

A comparison of sales amounts by format shows that a little more than half of the total sales were of larger sizes of ordinary books other than *shinsho-ban* in *bunko-ban* in both 1953 and 1956.

The 1953 statistics put *shinsho-ban* and *bunko-ban* together at 41.9%, while the 1956 statistics show *bunko-ban* at 18.2% and *Shinsho-ban* at 24.9%. Since sales of books or other

formats than *bunko-ban* and *shinso-ban* took about the same percentage, the large percentage of *shinso-ban* is probably to be construed to have made inroads into *bunko-ban* sales.

The Society's statistics classify sales of books by the following: philosophy (18.4;4.7), history (3.7;3.7), social science (8.5;8.1), industry & economy (2.8;4.8), natural sciences (3.9;4.7), engineering (1.6;2.5), arts & welfare (8.5;4.8) linguistics & languages (3.1;5.1), general literature (10.2;26.1), fiction (Japanese) (18.6;8.6), fiction (translation) 10.3;5.4, juvenile (1.2;3.6), references for study (17.8;17.0), and others (1.5;0.9), (the first figure indicate the 1953 percentage, and the second the 1956 percentage). Here "general literature" soared from 1953's 10.2% to 1956's 26.1%, while "fiction" (both Japanese and translations (sharply declined. "General literature" includes not only literary criticism and outline books, but also essays and non-fiction. Since these are often in the format of *shinsho-ban*, the sharp rise seems to reflect the popularity of *shinsho-ban* series. The decline in the sales percentage of fiction may to some extent be related to the shift of popularity from *bunko-ban* to *shinsho-ban*.

The highest percentage of *bunko-ban* in each category is "fiction" (translations 62.8, Japanese 34.5), showing the fact that books of fiction are read in *bunko-ban*. The high percentage of *shinsho-ban* was registered in "general literature" (40.5) and "history". The highest percentage of the format other than *bunko-ban* and *shinsho-ban* went to "engineering" (93.6), followed by "natural sciences", "industry & economy", "juvenile" and "references for study" (all above 70).

Of the buyers or books surveyed, 86.8% bought for their own reading, 3.6% bought not for their own reading but influenced the selection of the books they bought, and 4.2% came on errand.

The percentages by purpose of those who bought for their own reading were (in the 1956 statistics): culture 23.3, recreation 32.4, practical purposes 9.3, references for study 21.3, specialist purposes 11.6, and others 2.1. Thus most of them read for their recreation and culture.

The percentage by purpose in each field shows that the highest for culture were "philosophy" (60.8) and "history" (35), and that the highest for recreation were "fiction" (Japanese 72.5), "general literature" (55), "fiction" (translations 51.4), and "arts & welfare" (42.8). The practical purpose was highest only in "engineering" (50). The highest percentage was registered for references for study naturally in "references for study" (83.3) and in "linguistics & languages" (60.6).

Specialist purposes were the highest in "industry & economy" (50), "natural sciences" (44.3), and "social sciences" (31.2). The average prices by purpose per copy were: specialist ¥282, practical ¥218, recreation ¥160, and culture ¥152, showing that more expensive books were bought for specialist and practical purposes than for recreation and culture. For the latter purposes cheaper *bunko-ban* and *shinsho-ban* editions were most frequently used.

Who Buy Books?

Half of the book buyers surveyed were students. By age group, 20-24 topped others, occupying 30%. The 15-19 group ranked first in the 1953 survey, but declined to the second in 1956. Women comprised 28% in 1953, and further declined to 20.2% in 1956.

By education, college level occupied 55.5% of the total buyers, high school level, 31.4%, junior high level 10.1%, and elementary school level 1.2% in the 1956 survey, which is little different from the 1953 survey.

By income brackets, those above ¥8,000 up to ¥10,000 which ranked first in 1953 with 18.5% declined to the third

with 11.7% in 1956. Those above ¥10,000 up to ¥15,000 which ranked second with 17.5% in 1953 rose to the first with 26.5% in 1956. Those above ¥15,000 up to ¥20,000 ranked third with 12.5% in 1953 became the second with 14.2% in 1956. It is noteworthy that more than half are those who earn less than ¥15,000, most of young people belonging to this income group.

The average number of visits per month to a bookstore among the book buyers surveyed was nine. The high frequency of visits to bookstores in this survey is due to the method in which those who actually went and bought books at a bookstore were surveyed.

The average number of books bought per month by the book buyers in the 1956 survey was 4.3 copies and the average cost for books per month was ¥826, a 4% increase over 1953's ¥791.

Translations from Works Abroad

We have seen that a considerable portion of publications in Japan are translations from foreign works. Let us have a glimpse into history to see how Japan has published works originated abroad.

According to an old record, the Ministry of Education published 91 translations during the period between 1871 and 1875. They were mainly from American, British, French and Dutch works. The record also shows that in 1872 translated works published by private publishers totaled 164, in 1873 the number nearly doubled to 292.

In 1877, that is 80 years ago, translated works amounted to 232, in 1882 increased to 281, and later in 1887 reached 692, the highest in record throughout the period until 1926. But the number of translated works published in 1897 totaled 141. The number further declined to only nine in 1898.

The decline seems to have been largely due to the fact that Japan had promised to join the Berne Convention, and was to become a signatory in July 1899. Thus these were years when Japan was preparing to leave the thitherto unrestricted liberty of translation. It is interesting to note that the United States did not become a signatory in the Berne Convention and in 1905 Japan concluded a treaty with the United States that both countries are entitled to free translation of works from each other. This treaty had been in force for about 40 years till the end of the Pacific war.

The number of translated works published in Japan since 1898, apart from the following two years, never exceeded 100 until 1913. In 1914 it rose again to 283. Although it followed a slight downcurve, it started upward again since 1926 when Shinchosha's *Sekai Bungaku Zenshu* (The World Literary Series) and numerous other translations began to appear. The emergence of these popularized translations from literature abroad. In the fall of 1927 the birth of *Iwanami Bunko* (Iwanami Library which followed the example of Reclams Universel Bibliothek) marked the beginning of a new boom of *bunko-ban* books. The boom in the publishing of translated works continued for more than ten years until Japan entered the period of war.

Under the Occupation, it was impossible to publish new translations during 1946. The new period of boom in the publication of translated work began in 1949, and it continued rising to the present. The Japan Publishers Association's statistics show that in 1955 books published totaled 24,304 titles, of which 1,611 were translations, and in 1956 of the total 26,155 titles, 1,666 were translated works. Of the newly translated works of literature of the world during 1952-1955, the highest in the number of titles were the works from the following countries: France 479, America 320, Britain 270, and Germany 206.

Foreign Trade

The worsening of the foreign exchange balance has been continuing and Japan's holdings of foreign exchange has still been on the decline. But a sharp decline in the amount of letters of credit sent for imports now indicates that the volume of imports will enter a declining stage. If it is difficult to show in detailed figures how the total balance of Japan's international payments will come out for 1957, it is to be expected that the payments will be balanced in the third quarter when it is achieved early enough, or in the first quarter of 1958 at the latest.

Import Decline Foreseen

The foreign exchange statistics show that while imports amounted to \$340 million in June, a high level of amount next to May, exports totalled only \$250 million, the lowest figure since January 1957, far below the corresponding period of 1956. Thus the balance of foreign exchange account for June registered the greatest deficit of \$114 million. The aggregate deficit since the beginning of 1957 reached \$339 million (\$520 million without deferred payments).

The foreign exchange holdings declined below the \$1,000 million mark already at the end of May, and appear to have decreased further to the \$100 million during June to reach as low as the \$900 million level. Now these figures include the \$260 million due to be paid to Japan in the open account which still remains in arrears. If this amount is subtracted, Japan's holdings of foreign exchange in fact amount only to \$650 million. The movement of letters of credit for exports still indicates that a considerable deficit in the balance of foreign exchange seems to be unavoidable for July and August 1957.

On the other hand, the amount of letters of credit for imports began to decline sharply since the beginning of June 1957. It reached \$320 million in May, the highest since the end of the war, but remained slightly lower than the \$230 million mark in June, the lowest since the turn of the year and roughly on the par with the level of July-September last year. The sharp decline is probably due to the following: (1) June saw a reaction to the rapid growth in May which was done in anticipation of restrictive measures on imports and tightening of finance at home; (2) the expansion of letters of credit during the March-May period reflected buying for stockpiling stimulated by the Suez

crisis and speculation that the holdings of foreign exchange will be dried up. Room for speculation has been extremely narrowed after the successive measures for restraining imports which have been taken since the early part of May. The restrictive measures after the lift of official discount rate for the second time on May 8 include the following: the withdrawal of the government's foreign exchange deposits in the city banks authorized to handle foreign exchange (announced on May 8); the 30% reduction of the frame for loans by the foreign exchange banks for overseas offices of traders (announced on May 10); the elimination of some of the items to which the pound usance is applicable and the shortening the term of usance (put into force since May 14); the stricter measures taken for the collateral for imports (put into force since June 4); the import restrictions by the special foreign allocation system (put into force since June 8); the restrictions on issuing letters of credit for imports (announced on May 12); and the second revision of the collateral for imports system (put into force June 20). (For the detailed account for the important restrictive measures, see the Foreign Trade in the June and July issues).

The question is whether the decline of the amount of letters of credit for imports that began with the beginning of June will continue into July and after. There are enough reasons to believe that the amount of letters of credit for imports during July and during each month after will not largely exceed June. First of all, the direct measures for restraining imports have increasingly showed their effects on traders, so that it would seem rather odd that bankruptcies and disappearances have not appeared among smaller traders. Secondly, and this is still more fundamental, since the general counter measures for improving the balance of international payments which was announced on June 19, the demand for imports itself has turned towards slowing down with the general economic trend that has entered the stage of intermediate adjustment.

The great and rapid increase in imports since 1956 has been basically due to the demand for investing in industrial equipments (including projects into the future). So the curbing of equipment investments by restraining finance and other measures will greatly reduce the import demand.

Loans from I.M.F. & U.S.

Japan has succeeded in obtaining loans from the International Monetary Fund and the Washington Export-Import Bank towards the end of June. Of the two loans, the I.M.F. loan which has no strings attached and is in ready cash will certainly enable Japan to alleviate considerably the strained situation for her decreased foreign exchange holdings. On the other hand, the loan from the Washington Export-Import Bank has met a grim reception in Japan because of the nature of the credit extended on conditions that are not wholly satisfactory to Japan.

The use of the I.M.F. fund for stabilizing exchange situation is the second time for Japan. The first time was in the 1953 crisis of foreign exchange situation. Then Japan bought £124 million during the period September-December of that year (of which about half was bought with dollars). This greatly helped Japan to tide over the pound deficit during that period.

The present drawing of fund which was approved at the I.M.F. Board Meeting on June 28, corresponds to 50% of the quota for Japan, amounting to \$125 (in dollars) to be bought with *yen*, and to be divided for the month of July and August. The fund must be paid back within 3 to 5 years (the dollars are to be returned in exchange for the *yen*).

The negotiations for the credit to Japan from the Washington Export-Import Bank which have been carried with the leaders of the Liberal-Democratic Party accompanying Prime Minister Kishi to the U.S. was concluded on June 29. The credit, however, is entirely different from the loan of I.M.F. fund, and it is only to allow deferring payments for nine months to one year for the designated part of commodities Japan buys from the U.S. In other words, the Washington Export-Import Bank wants to have U.S. commodities, surplus farm produce in particular, sold to Japan in exchange for the deferred payments.

There have also been instances of the Export-Import Bank's credit extended to Japan. By this method Japan bought U.S. cotton up to the sixth credit for cotton imports and equipment for power generation on long-term credit. See Table for the details.

The total amount of the present short-term credit is \$175 million, but the detailed conditions are not clear. The already clear points are as follows: (1) Of the total, \$110 million should be

1. AUSTRALIAN EXPORTS TO JAPAN

(In £10,000)

	1954	1955	1956
Foodstuffs	491	932	1,407
Barley	444	337	535
Wheat	43	370	555
Sugar	0	187	253
Textile material	2,527	3,764	5,392
Wool	2,525	3,731	4,969
Metals, Minerals	155	156	343
Copper ore	0	20	72
Scrap iron	113	84	130
Total	3,275	5,008	7,423

Source: Finance Ministry.

2. JAPANESE EXPORTS TO AUSTRALIA

(In £10,000)

	1954	1955	1956
Foodstuffs, Drinks	68	142	126
Canned fish	58	133	111
Fabrics	631	834	593
Cotton fabrics	557	699	496
Chemicals	34	81	66
Metals & products	90	743	262
Galvanized iron	46	115	15
Other steel products ..	32	518	189
Non-metal mineral products	56	94	92
Ceramics	22	66	66
Machinery	14	47	51
Sundries	48	106	78
Total	1,033	2,150	1,292

allotted for buying cotton (of which \$60 million is to be regarded as a renewal of the cotton credit hitherto, and the remaining \$65 million for other farm products; (2) the rate of interest for the credit for cotton hitherto has been 3.75%, but this is to be raised to 4.5% for the present credit in view of the raised rate in the U.S.; (3) the term of credit is one year from fixed time for loading for cotton and nine months for other farm products.

The contract of the present credit has caused rather an embarrassment to traders who import items for which the credit is to be extended, and even among the government quarters concerned some voiced that the contract had better be cancelled. What then are objections to the credit contract?

First of all, the U.S. Foreign Aid Law stipulates that at least 50% of items sold through U.S. credit should be shipped by U.S. freighters. So even if some concession may be obtained through future negotiations, the freight cost to be paid in dollars will inevitably increase. Secondly, some bad effect on trade with the third countries should not be overlooked. In order to import \$110 million of cotton (about 700,000 bales) from the U.S., Japan cannot but reduce her imports of Pakistani cotton and inexpensive Mexican cotton. Other farm products now contemplated include wheat, barley, soybeans, and feedstuffs, and they also involve some difficulty. If Japan is to buy large quantities of soybeans, then she has to cut down much of the Chinese soybeans. Since Japan trades with Communist China by exchanging commodities within designated

groups and Japanese steel and machinery are in the group A to which Chinese soybeans are grouped, the reduction of soybean imports from China will cause a decline in Japan's exports of steel and machinery. This will put a wet blanket over the now increasing trade with China under somewhat relieved embargo. Thirdly, fixed time for loading may cause trouble. If part of the cotton (\$50 million) and other farm products are to be loaded by the end of December, some of them may well be excessive to Japan's real demand as well as inflicting some disruption in trade with other countries.

Japan-Australian Trade Agreement

A Japanese-Australian Trade Agreement was signed and put into force on July 6. The agreement will relieve some of the Australian discriminations against Japanese goods and give most favored treatment status to Japan. Thus it is expected that Japanese exports to Australia will greatly increase in some years to come.

Trade with Australia hitherto has resulted in a deficit for Japan's balance of payments. The customs statistics show that Japan exported \$21.5 million and imported \$50.08 million in 1955, and exported \$12.92 million and imported \$74.23 million in 1956. The percentage of Australia's trade with Japan is 14% of the total in export, next only to England, her largest customer; on the other hand, in import it does not amount even to 2%, less than the percentage of imports from the United States and Germany. (According to the Australian customs statistics for the nine months up to March, 1957).

The chief reasons why Japan had to import from Australia in excess of her exports may be summarized in the following two points: the first is the composition of commodities traded between the two countries. Of Japan's imports from Australia, wool takes up about 70% annually, and it is difficult to import wool of the same quality and price in the same speed of supply from other places such as South America. Therefore reduction of imports from Australia is not to be expected as long as Japan imports large quantities of wool.

In contrast to this, Australia mainly imports from Japan such consumer's items as textiles, sundries, and canned food. So these goods are often subject to restrictions when Australia's holdings of foreign exchange is strained. It is true that in 1955 iron and steel and other metal products were exported considerably to Australia. But this was only possible because Japan could fill the temporary vacuum of supply there from

European countries. Thus Japan is often called a marginal supplier.

The second is that there have been discriminatory measures against Japan both in the tariffs and import permits by the Australian authorities. The Australia's tariff treatments fall into three classifications; (1) specially favored tariffs to the British Commonwealth, (2) the most favored country treatment, and (3) the general treatment. Japan had been treated by the third category which imposed the highest tariffs until the new Agreement. To take unbleached cotton cloth, imports from England are imposed the specially favored tariffs (1/2d. per square yard), while the most favored country treatment imposes 7/8d. and the general treatment 3/4d. In issuing permits to imports, the Australian government treated Japanese goods with severe restrictions next to goods from the dollar area, and extremely rigid restraint was imposed upon the 36 items such as textiles, toys, ceramics, etc. which covered majority of imports from Japan.

To improve the situation Japan strongly insisted her demand that these discriminations be removed and asked Australia to treat Japan at least with the same level of terms as other non-dollar countries if not as the Commonwealth. On the other hand, Australia demanded from Japan as a condition to her most favored country treatment of Japan to remove the discrimination against Australian farm produce in her foreign exchange control and to guarantee not only the import of wool but also of wheat, barley, etc. However, because of her commitment with the United States to buy the U.S. surplus farm produce, Japan could not meet the Australian demand immediately. Thus the negotiations between the two countries for the Agreement had to be postponed from the end of 1956 to the end of February 1957, but were finally concluded through mutual concession.

The principal points of the new Agreement are as follows: (1) Australia gives Japan the most favored country treatment; (2) Australia will discuss the matter with Japan when she finds it necessary to impose emergency tariffs on Japanese goods to prevent dumping; (3) Japan gives the most favored country treatment to Australia, but may not accord it fully to such items as wool, sugar, raisins, etc.

Through the conclusion of this Agreement, Japan's trade with Australia has entered an entirely new stage. Especially the removal of discriminatory measures by Australia both in its tariffs and import permits, Japan's exports to Australia are expected to grow considerably.

Commodity Market

Cotton Goods:—The cotton yarn market made a steady recovery in the latter part of June due to the raw cotton import curtailment made compulsory by the worsening balance of international payments and active selling operations. The quotations of yarn (20s) at the Osaka Sampin market started the month of June at ¥167.7, continued fluctuant in the first half and regained ground in the second half to reach ¥176.0, while the prices of 30s items started the month at ¥184.5 and climbed to ¥199.0 at the end of the month. Meanwhile, cotton goods in general continued to show signs of oversupply. According to the Japan Cotton Spinners Association, the month-end inventories of cotton goods reached 501,823 bales (in terms of yarn), thus exceeding the 500,000-bale mark for the second time since the war's termination (the first in May, 1955 when the second production curtailment started).

Raw Silk:—Raw silk quotations in June were apparently stiff due to the limited supply and the advent of the "lean" season, but no tangible gains were noted, with the month's low at ¥1,960 and the high at ¥2,010. In the absence of particular stimulants, the prices began to slip at the start of July, and continued to mark time into the mid-month. According to the Japan Raw Silk Exporters Association, the exports of raw silk for the first half of calendar 1957 (January to June) totalled 29,328 bales (including 5,424 bales of dupion silk), thus marking a decrease of 4,701 bales (1,640 bales of dupion silk) or 11% from the shipments in the like period in 1956. Responsible for the decline were: 1) the standstill of the world business boom; 2) intensified competition in textile circles due to oversupplies; 3) the increase in exports of silk fabrics; and 4) the recession of dupion silk exports because of changes in fashion. During the first half, the sales to the United States registered a wide loss while the shipments to West Germany forged sharply ahead, apparently because of triangular trade marked with shipments from Japan to the U.S. via West Germany.

JUNE RAW SILK FIGURES
(In bales)

		Compared with May, 1957	Compared with June, 1956
Production.....	20,200	↘1,345 (6%)	↘ 703 (3%)
Exports	5,052	400 (9%)	637 (14%)
Domestic deliveries..	16,517	↘1,744 (10%)	↘ 657 (4%)
Month-end stocks ..	9,103	↘1,369 (13%)	↘5,019 (36%)

Source: Japan Raw Silk Exporters Association.

Spun Rayon:—In the depressed textile markets, the most notable losers are spun rayon wool, as the tight-money measures lent an additional impetus to the impact of oversupplies. A number of trading houses went bankrupt as a result and manufacturers were selling at prices below the break-even points. Spun rayon has been subjected to production curtailment since April. Hence, the monthly production since April has dwindled to 58,000,000 lbs. some 13% smaller than the January output and coming close to the production level in July, 1956. On the other hand, inventories as at the close of June stood at 90,000,000 lbs. (inclusive of stocks in hands of manufacturers and wholesalers), down some 20,000,000 lbs. from the April-end level. As far as spun rayon is concerned production cuts are steadily taking effect. The trouble, however, is with spun rayon yarn which is not subject to a well-regulated production cut program. With the yarn production steadily gaining, exports and domestic demands have con-

tinued dull and inventories have been mounting. As of consequence, the city quotations of spun rayon yarn dipped to ¥99 per lb. (bright) as of mid-July, a sharp slip from the ¥150 level in September, 1956, ¥130 at the start of the current year and ¥110 in early July, and about half the equivalent prices in Britain and the United States. With the price decline of spun rayon yarn, the price hike of spun yarn has been restricted with the quotation for July deliveries placed at ¥84, ¥2 down from the June price. Under the circumstances, a production curtailment plan will be continued for spun rayon yarn further into the October-December period.

Rayon Filament:—Rayon filament quotations have been equally weak since the beginning of the year, with the 120-denier item (dull) falling to the ¥160 mark per lb. in mid-July from the ¥250 mark in January. Inventories of rayon filament yarn and fabrics have kept on mounting, and the voice for production curtailment is growing. The Federation of Silk and Rayon Fabrics Adjustment Unions is expected to apply to the Ministry of International Trade & Industry for permission to carry out a 20% production curtailment program from August through December, while rayon filament yarn manufacturers are preparing to begin a 15-20% production cut from August or September. With such production cut plans in operation, yarn prices may return to the normal level of ¥180-190 sooner or later.

Woollen Yarn:—The city quotation of worsted yarn, which stood at ¥1,200 per lb. at the start of the year, dived below the ¥900 mark in June and further slipped to the ¥800 level in July. Major reasons for the weakening prices are: 1) poor sales of spring woollen items; 2) hesitant yarn inventorying operations by weavers; 3) sacrifice sales by small spinners. In addition to the dual impact of dwindling demand and increasing production, the money shortage has become a fresh deterrent. While large spinners are making advance sales for July-September deliveries at fair prices at around ¥1,200 per lb, wholesalers and weavers are markedly hit. Even key manufacturers are reported at a loss, unable to make sure the exact market transitions in and after October, particularly as the stimulant which came in the form of the import cut of wool has been counterbalanced by the tight-money policy.

MAJOR TEXTILE QUOTATIONS

		Cotton Yarn (Osaka)	Rayon Yarn (Osaka)	Spun Rayon Yarn (Osaka)	Woollen Yarn (Nagoya)	Raw Silk (Yokohama)
1957: Mar.	2.....	175.3	216.9	114.5	1,074	2,014
	9.....	175.0	218.0	113.1	1,037	2,050
	16.....	175.9	213.0	113.1	1,012	2,046
	23.....	180.5	200.2	113.8	1,030	2,030
	30.....	185.0	210.9	118.6	1,076	2,069
Apr.	6.....	184.9	203.5	118.5	1,046	2,073
	13.....	188.5	214.9	119.0	1,069	2,080
	20.....	185.2	209.6	117.0	1,056	2,119
May	27.....	181.7	197.5	115.2	1,037	2,090
	4.....	178.0	185.2	114.0	988	2,089
	11.....	176.0	176.1	111.8	950	2,051
	18.....	171.6	170.9	109.5	915	2,030
	25.....	168.1	171.5	109.9	925	2,016
June	1.....	167.8	163.1	110.4	924	1,971
	8.....	165.0	163.0	107.7	892	1,963
	15.....	167.5	164.1	107.9	901	1,981
	22.....	173.0	169.0	108.1	927	1,978
	29.....	177.1	182.0	111.3	940	1,981
July	6.....	172.0	178.9	107.1	871	2,010
	13.....	168.2	176.2	104.1	833	1,988
	20.....	165.0	166.9	99.4	839	2,030

Labor

Shortening of Working Hours:—In line with the world tendency towards the shortening of working hours, various unions in Japan have been demanding since 1956 shorter working hours with no cuts in pay. Most active in this struggle is the National Federation of Textile Industry Workers Unions (membership 320,000 and an affiliate member of the big *Zenro*).

The main points in the labor's demand are: 1) abolishment of midnight shifts of girls; 2) 15 minutes shortening of working hours for 2-shift-day workers and 45 minutes shortening for 3-shift-day workers; 3) all these shortenings should be established without any cuts in pay.

The management, on the other hand, rejected the labor's demand by announcing: 1) that the shortening of working hours necessarily entails the rising of production cost, thereby weakening the competitive power of the Japanese textile products; 2) that there is no clause in the Labor Standard Law forbidding the practice of women working midnight. Moreover, the Article 62 of the same law could be construed to encourage the practice.

Appealed by the labor, the Central Labor Relations Committee entered into the scene and tried to arbitrate. The management's stand, however, was so adamant that there seemed to be no immediate solution to the problem. Moreover, the management's flat rejection irritated the unions so much that even strikes were envisaged in some quarters.

However, the steps of the composing unions of the Federation were not so in tune that it was finally decided that agreement should be made industry by industry. First of all, 7 chemical fibre companies accepted the Central Labor Relations Committee mediation plan, according to which, the labor is going to get shortening of working hours effective as of coming October. Ramie and jute industry unions is demanding if the other textile companies accepted the shortening of working hours, they should be granted the same privilege, while the 7 major woollen textile companies have met the labor's demand halfway by agreeing to shorten the working hours by 15 minutes effective from coming December.

Unlike these companies, cotton textile industry management was adamantly re-

jecting the labor's demand for so long that the unions changed their tactics and tried to break the management by throwing their weight on one chosen target after another. As a result, Toyo Spinning Company, the unions' first target succumbed and accepted the following terms: 1) the Company will shorten the working hours by 15 minutes; 2) completely terminate the midnight shifts; 3) the above two regulations are effective as of coming October 1; 4) there will not be any pay cuts.

With their bridge-head thus broken, the other cotton spinning companies had to accept the similar terms tendered by their respective unions.

Zenro's New Principles: *Zenro* (Congress of Trade Unions of Japan; 11 composing unions with 960,000 membership) announced on June 28 its 1957 general principles to be tendered to its 4th regular meeting to be held in the latter part of July. These principles include *Zenro's* attitude on such key issues as wages, labor struggles, shortening of working hours, productivity improvement movement, industrialization of atomic energy, the problem of automatization of industry and unification of labor front.

A glance at these principles will convince you the genuine nature of *Zenro's* realistic rationalism that sets apart the big labor organization from its rival, *Sohyo*. As regard to the wage problem, *Zenro* maintains the theory that the higher the productivity the higher the wage standards. The Congress tries to boost the real wages by shortening the working hours (as was evidenced in the case of textile industry workers unions). The Congress further maintains that in order to boost productivity, unions should be willing to participate in the productivity improvement movement. This theory diagonally clashes with that of *Sohyo*, which maintains that productivity improvement movement necessarily entails forced discharges and intensified labor. As regard to the minimum wage system, *Zenro* proposes a step-by-step, industry-by-industry system, which also is diagonally different from that maintained by *Sohyo*. The latter, in the complete absence of realistic thinking, proposes that all the enterprises, regardless of its size, structure, locality and nature of industry, should pay minimum ¥8,000 salary to any initiator whose age is 18 or over. Few enterprises of medium or

small size can afford to accept the ¥8,000 minimum wage proposal in its entirety—by a long shot.

Zenro also reaffirmed in its new principles its firm stand against the extreme leftist leaning of *Sohyo*. *Sohyo*, *Zenro* maintains, is deviating from the orbit of sound labor movement in that it dabbles in politics which is not the major objective in labor movement; 2) that its labor struggles are always scheduled beforehand and it resorts to strikes and other tactics strictly as scheduled regardless whether the management is willing to talk or not; 3) that it dabbles in the back-of-the-scenes politics in neglect of the Congress; and 4) that it is tightening its ties with the World Federation of Trade Unions and leaning further to left.

Sohyo, on the other hand, immediately counters: 1) that *Zenro* has no concrete theory how to win wage boosts; 2) that *Zenro* lacks in its enthusiasm to win the support of farmers, with whom, *Sohyo* maintains, any socialist organization should have close and unseparable ties; 3) lacking in the above two key points, no labor organization can muster all-out rank-and-file support. This is the reason, *Sohyo* maintains, why *Zenro* can not match *Sohyo* in its power and organization.

National Railways Union Problem:—National Railways management, which had been debating with itself how to deal with the National Railways Union and Locomotive Workers Union having elected purged leaders of the spring struggles again to the important positions of the unions, finally announced its decision on July 9. The management maintained: 1) that the National Railway Union and the Locomotive Workers Union were now illegal in that they chose the purged leaders again for the important union posts and that as far as the unions continue to keep their purged leaders, the management would have no dealings with them; 2) that the management had to follow its own wage proposals as the mediation plan agreed upon could not be signed by the *illegal* unions topped by the purged leaders. The management also announced that the labor agreements between the unions and the management would not be renewed and that it would no longer go to the trouble of collecting union dues out of the monthly pay for the unions.

Investment Outlook

The Bank of Tokyo, Ltd.

The Bank of Tokyo is the successor to the Yokohama Specie Bank, one of the most reputable exchange banks in the world in pre-war days, and the one and only bank in Japan exclusively devoted to foreign exchange transactions. In 1946, shortly after the termination of the Pacific War in 1945, the Yokohama Specie Bank was ordered to be reorganized by GHQ of the Occupation Forces and the Bank of Tokyo made its debut as an ordinary commercial bank by taking over the domestic assets and liabilities of the Yokohama Specie Bank. At the outset, the Bank of Tokyo was capitalized at ¥50 million and had 22 offices and agencies throughout the country. For the reason that the Yokohama Specie Bank was a purely foreign exchange bank, the Bank of Tokyo, in its initial stage, faced some difficulty in competing with other commercial banks in the domestic banking field. Moreover, many of the staff members transferred from the Yokohama Specie Bank to the Bank of Tokyo were experts specializing in foreign exchange transactions and trade financing. Hence, to start the Bank of Tokyo as a commercial bank was a very difficult task. With Japanese foreign trade completely under the control of the Occupation authorities from 1945 through 1949, however, a new form of management for the Bank of Tokyo was quite inevitable.

The reopening of Japanese foreign trade on a private basis in December, 1949, however, provided an opportunity for the Bank of Tokyo to bring its traditional merits and long experiences in foreign exchange transactions into full play. Later, as Japanese foreign trade steadily became normalized, the Bank of Tokyo began to place greater stress on trade financing and foreign exchange transactions, and gradually strengthened its position as a commercial bank by conducting foreign exchange deals. On the other hand, the Japanese Government began to feel a greater need of having an exclusive foreign exchange bank to cope with expanding foreign trade. In April, 1954, the Government enforced the "Foreign Exchange Bank Law" and the Bank of Tokyo made a fresh start as a foreign exchange bank under the provisions of that law in August, 1954. The capital of the Bank, which started at ¥50 million, swelled gradually through successive increases, to ¥3,300 million one year after its reorganization as a foreign exchange bank. The Government, on its part, has taken many and various measures to encourage the sound growth of the Bank of Tokyo as an exclusive

foreign exchange bank, and as an instance of this, it was licensed by the Government before all other banks to open branch offices in New York and London in September, 1952. The network of its overseas branch offices has since been expanding by priority at a rapid pace.

In September, 1954, the Bank was also authorized to hold a foreign currency account in the name of the Minister of Finance to be operated for the centralization of foreign exchanges, and was the sole Japanese bank to be so privileged. At the end of December, 1956, the balance of such Governmental account with the Bank showed the amount of more than \$300 million, while the combined total of the so-called foreign currency deposits of the Government in other 11 Japanese exchange banks as of the same date amounted to only \$75 million, which is significantly indicative of the Government's efforts to facilitate the sound growth of the Bank as an exclusive exchange bank. Actually, the growth of the Bank of Tokyo in the field of foreign exchange has been fast and energetic. During the period from October, 1956 to March, 1957, the Bank handled foreign exchange transactions to the extent of 25.1% in exports and 23.6% in imports of the national totals. The future expansion of the Bank of Tokyo, however, will not necessarily be unconditionally smooth and easy. In the first place, the Government is apparently disinclined to take positive measures to foster the Bank of Tokyo exclusively, owing to the opposition by other exchange banks to any specially favored treatment given to one specific financial institution. The second obstacle is found in the disadvantage facing the Bank of Tokyo in operating yen currency funds.

At the time when the Bank of Tokyo made a fresh start as a foreign exchange bank in 1954, it released 21 of its 44 branch offices that had poor prospectives of foreign exchange transactions. The network of domestic branch offices of the Bank is therefore, comparatively restricted in scale, numbering only 23. Hence, the Bank is to that extent limited in collecting yen funds in deposits and has to depend largely on the Bank of Japan and the call market for operating funds. With the acquisition of yen funds growing increasingly difficult under the impact of tight-money measures and foreign currency deposits being withdrawn by the Government in rapid succession, the Bank of Tokyo has been finding yen fund operation somewhat difficult because

of such stringency. This transition is well reflected by the changes in the major accounts of the Bank in the period from October, 1956 to March, 1957, as compared with the preceding period, March to September, 1956. During the half-year period ended March, this year, the business scale of the Bank greatly expanded due to the increasing volume of import bills handled, but the cost of raising yen funds rose sharply, thus reducing its earnings. The profits before depreciation for the term dwindled to ¥1,389 million from ¥1,406 million for the preceding term, and this trend is likely to continue into the current term ending September 1957. The apparent standstill of the Bank's business, however, is a temporary phenomenon due solely to the excessive tightness of money on the domestic market. In view of the steady expansion of Japanese foreign trade in prospect, the position of the Bank of Tokyo as an exclusive foreign exchange bank is certain to be further strengthened.

Major business specialties of the Bank of Tokyo include: 1) Businesses pertaining to foreign exchange transactions and letters of credit; 2) Transactions in gold and silver bullion, foreign currency and securities; 3) Loans, bill discounting and like transactions.

In addition to 23 domestic branches, the Bank of Tokyo has twelve branch offices overseas and representatives stationed at fourteen major foreign cities namely: Toronto, São Paulo, Paris, Düsseldorf, Beyrouth, Teheran, Rangoon, Bangkok, Phnom-Penh, Saigon, Kuala Lumpur, Djakarta, Manila, Sydney. The Bank also has established under American laws an affiliate, the Bank of Tokyo of California in San Francisco (Branches in Los Angeles, Gardena) and a subsidiary the Bank of Tokyo Trust Company in New York.

Bank of Tokyo's Overseas Branch Offices:

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Buenos Aires Office25 de Mayo 346, Buenos Aires, Argentina.
London Office7, Birch Lane, London, E. C. 3, England.
Hamburg Office....Hamburg 36, Jungfernstieg 51, F. R. Germany.
Alexandria Office.....22, Rue Talaat Harb Pacha, Alexandria, Egypt.
Calcutta Office.....5, Clive Row, Calcutta, India.
Bombay Office....221, Dr. Dadabhai Naoroji Road, Fort, Bombay 1, India.
Karachi Office...Qamar House, Bunder Road, Karachi-2, Pakistan.
Vientiane OfficeRue Pierre Morin, Vientiane, Laos.
Singapore Office9, Phillip Street, Singapore, 1.
Hong Kong OfficeCaxton House No. 1, Duddell Street, Hong Kong.

Tokyo Tsushin Kogyo

Tokyo Tsushin Kogyo (capitalized at ¥200 million) occupies a unique position as a manufacturer of electric machines and instruments. It particularly specializes in the manufacture of tape recorders, recording tapes and transistors (as well as transistor radio sets), and almost monopolizes the domestic production of tape recorders. The Company is also one of the first manufacturers which succeeded in industrializing the production of transistors, which it is about to mass-manufacture. Tokyo Tsushin Kogyo made its debut in 1946 as a ¥190,000 concern for the manufacture of measuring machines (such as voltmeters and tonometers. From about 1948, it started manufacturing broadcasting equipments for the Japan Broadcasting Corporation (N.H.K.). It succeeded in industrializing the production of tape-recorders and started marketing the products in 1950. The Company concluded a technical tieup contract with Armour Research (U.S.) in 1954 for the use of patents and technical assistance for magnetic recording of tape-recorders. It was in 1953 that Tokyo Tsushin Kogyo obtained the patent right to manufacture transistors from Western Electric (U.S.) and began selling transistors and diodes on the domestic market from October, 1954.

The Company increased capital on eight occasions since its inception. The first of the two latest capital increases came in November, 1954 (to ¥100 million) to raise the funds for the expansion of the tape mill at the Tokyo main factory and the erection of a new plant at Sendai, while the second took place in January, 1957 (doubling the capital to ¥200 million) to raise funds necessary for equipments for boosting the output of transistors. The production capacity and actual production of the Company stand as follows (capacity as of October, 1957: actual production as of October, 1956):

MONTHLY PRODUCTION CAPACITY		
(In million yen)		
	Capacity	Actual Production
Ordinary tape-recorders	28	28
High-grade tape-recorders ...	14	14
Recording tapes	6	5
Transistor radio sets	75	26
Transistor	49	6
Diodes	4	4
Tape-recorder parts and accessories	2	2
Others.....	14	13
Total.....	192	98

Note: Transistors and diodes not including those used for radio sets.

Inclusive of those used for radio sets, the monthly production transistors and diodes reached ¥15 million and ¥5 million, respectively. In order to attain the

new production goals, the Company has been expanding equipments at its major plants. The expansion program now under way at the cost of ¥139 million calls for the complete rejuvenation and modernization of the 1st production department (ordinary tape-recorders, transistor radio sets and ordinary microphones), the second production department (high-grade tape-recorders and high-class microphone) and the machinery department. Also under way is the construction of a new plant (eight-storied covering 1,400 *tsubo*) at the cost of ¥160 million. Thus, the total cost of the expansion operations in process will reach ¥330 million.

The sales of the Company during the half-year term ended April, 1957 totalled ¥1,073 million, registering a sharp increase of some 60% over the sales for the term ended October, 1956 and more than doubling the sales for the term ended April, 1956. The advance of transistors and transistor radio sets was the outstanding feature in the sales for the term under review while tape recorders and recording tapes somewhat receded. The sales of transistors and transistor radio sets for the term ended April, 1957 amounted to ¥470 million (up 90% over the same period for the term ended October, 1956) while the sales of tape-recorders and recording tapes amounted to ¥460 million (up 46%). Noteworthy has been the steady increase of transistor production, which attained the monthly mark of 100,000 units in the term ended April, 1957. One of the specialties of Tokyo Tsushin Kogyo popularized on the international market is its transistor radio "Sonny" (TR-63), the smallest pocketable radio set in the world, and the Company has been receiving a rush of new orders for "Sonny" from abroad. Equally worthy of note is the recent advance of the Company to the Philippines. With the Philippine Government not authorizing the imports of complete radio sets, Tokyo Tsushin Kogyo, as a joint (financial and technical) project with the Elizarde Co. (of Manila) is erecting a radio set factory in Manila. The new Manila plant, when completed, will have the monthly capacity of manufacturing 5,000 transistor radio sets, guaranteeing regular and continuous exports of parts and accessories required for these sets in the future. During the latest term (ended April, 1957), the sales of the Company amounted to ¥1,073 million and the profits reached ¥121 million, enabling the management to give a 10% special dividend in addition to a regular 20% dividend.

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Daiichi Bussan Kaisha, Ltd.

Mitsui Bussan, the pillar of the Mitsui interests, was ordered dissolved by a memorandum issued by GHQ to the Japanese Government soon after the war's termination. Through the dissolution of Mitsui Bussan, some 7,000 staff members of the Company had to organize about 180 new companies to continue the activities of the defunct firm. Outstanding among these companies created in the wake of the dissolution of Mitsui Bussan were Daiichi Bussan, Nippon Kikai Boeki and Daiichi Tsusho. These three major firms amalgamated themselves into a ¥1,950 million concern under the name of "the reorganized" Daiichi Bussan in July, 1955.

Thus, Daiichi Bussan, now capitalized at ¥2,415 million, is well on its way to mark the return of the defunct Mitsui Bussan which, before the war, was one of the best-known trading houses of the world. The incorporation of the affiliates of the defunct Mitsubishi Shoji into Mitsubishi Shoji (new) in July, 1954, as the then largest trading company in this country, undoubtedly gave impetus to the birth of Daiichi Bussan (new).

Transactions handled by Daiichi Bussan in the first half of 1957 totalled ¥169,300 million, including ¥76,700 million in domestic dealings, ¥50,400 million in import trade and ¥38,400 million in export trade. In addition the Company was responsible for transactions between third countries worth ¥3,700 million. The growth of the Company as an all-embracing trading house in third country transactions in recent years has been noteworthy, parallel with the expansion of its network overseas branches.

On the list of commodities transacted in the period under review, farm produce (including grain, oils and fats) predominated by accounting for ¥25,400 million, followed by iron-steel products and raw materials thereof at ¥22,400 million, machinery at ¥19,000 million, textile products at ¥17,800 million, fertilizers at ¥14,800 million, sugar at ¥14,200 million, non-ferrous metals at ¥13,900 million and chemical products at ¥11,200 million. The predominance of farm produce, oil and fertilizers was due to the bulky imports of these items made by the Company during the period under review as had always been traditionally the case even in those old days of the defunct Mitsui Bussan.

Sizable imports of iron-steel, non-ferrous metals and machinery were reflective of big demands for these products in Japan since 1955. Although a number of leading trading houses in the Osaka area (such as Itoh-Chu Shoji, Marubeni-Iida, Nichimen Jitsugyo, Toyo Menka and Goshu), which were specializing in textile goods before the war, have come to advance to other fields under multilateral management after the war, they still attach first importance to textile lines. As compared with these trading houses with their headquarters in Osaka, however, the variety of articles being handled by Daiichi Bussan in ex-

port, import and domestic transactions is extremely wide. In this respect, Mitsui Bussan is vying with Mitsubishi Shoji in quality, quantity and variety of the lines handled, principally because the Company is closely affiliated with leading industrial companies and financial organizations formerly subordinated to the House of Mitsui.

Some of better-known industrial and business concerns intimately linked with Daiichi Bussan are: Toyo Rayon (capital ¥6,000 million); Oji Paper (¥1,600 million); Jujo Paper (¥1,120 million); Honshu Paper (¥2,000 million); Mitsui Shipping (¥5,500 million); Nippon Flour Milling (¥864 million); Taito Co. (¥300 million); Toyo Koatsu (¥3,600 million); Onoda Cement (¥6,400 million); Mitsui Mining (¥3,000 million); Hokkaido Colliery & Steamship (¥2,000 million); Mitsui Mining & Smelting (¥2,400 million); Nippon Seikoshu (¥2,500 million); Fujikura Cable Works (¥1,064 million); Tokyo-Shibaura Electric (¥9,600 million); Mitsui Shipbuilding (¥2,240 million); and Taisho Fire & Marine Insurance (¥1,800 million). All those Mitsui-linked companies are operating in close collaboration with Daiichi Bussan. One of the most striking examples in this connection is the Nippon Atomic Energy Industrial Group (N.A.I.G.) organized by these Mitsui-affiliated concerns with Mitsui Bussan as the pivot.

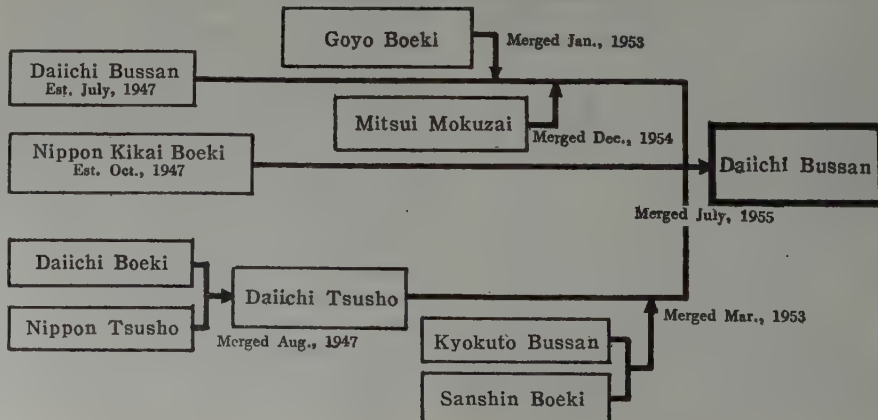
Daiichi Bussan is also playing an active part in accelerating plants and machinery to Southeast Asian countries with the collaboration of other Mitsui-affiliated firms. In such activities, the Company's technical consultation office stationed in its New Delhi branch is playing a cardinal role in positively cultivating new markets for Japanese plants and machinery. Daiichi Bussan at present has 3,974 employees on its payroll, the largest staff held among Japanese trading concerns.

Daiichi Bussan also tops in the number of overseas branches and representatives' offices as well as the number of personnel stationed abroad, well indicative of the great zeal and enthusiasm shown by the Company for foreign trade transactions, inclusive of imports and exports, as well as trade between third countries. Daiichi Bussan's branches and subbranches are stationed at key

cities of the world such as New York, San Francisco, Los Angeles, Seattle, Portland, Vancouver, New Orleans, Havana, Mexico City, Buenos Aires, Santiago, Lima, London, Paris, Istanbul, Cairo, Teheran, Karachi, Bombay, Colombo, Calcutta, New Delhi, Rangoon, Singapore, Baghdad, Bangkok, Vientiane, Saigon, Djakarta, Hong Kong, Taipei, Naha, Manila, Butuan, Phnom Penh and Medaung. The Company also has its facsimile incorporated into a juridical person in major foreign countries. Such overseas "Daiichi Bussan" overseas are located at Toronto, Montreal, Dallas, Mexicali, Rio de Janeiro, Sao Paulo, Hamburg, Dusseldorf, Melbourne and Sydney. Thus, the network of Daiichi Bussan's overseas branches boasts of a world-wide scale. With the brotherly backing of the two largest monetary institutions, Mitsui Bank and Fuji Bank, Daiichi Bussan is thoroughly qualified to tide over the impact of tight-money repercussions. The Company's transactions for the half-year term ended September are estimated to total some ¥200,000 million with the profit well exceeding that in any terms in the past.

In sum, the development of Daiichi Bussan in the past two years since the fresh start of the three Mitsui-affiliated trading firms on a joint basis under its name has been epochally remarkable. The traditional merit of Daiichi Bussan based on the long-standing reputation and solid foundation inherited from the defunct Mitsui Bussan has strengthened the position of the Company under the recent tight-money policy which have forced many minor firms to suffer from monetary stringency. In this connection, the Company is particularly blessed by its close connections with the Mitsui Bank, Ltd. and the Fuji Bank, Ltd., the two largest banking institutions in this country. Despite the exit of the so-called "business boom," the transactions by Daiichi Bussan have been smoothly swelling. For the half-year term ended September, the total business transactions of the Company are estimated to reach some ¥200,000 million with profits likely to exceed those in the preceding term ended March. With a large number of able personnel, a wide variety of merchandise and an extensive network of overseas branches at command, Daiichi Bussan is bound to make a further growth within a few years to come.

Vicissitudes of Daiichi Bussan



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Santiago: Mr. K. Kawaguchi, Correspondent of Daiichi Bussan Kaisha, Ltd., c/o Interam Comercial Ltd., Augustinas 1111, Santiago de Chile

London: 22 Fenchurch Street, London E.C. 3, England

Paris: 17 Rue du Colisée, Paris 8, France

Istanbul: c/o Iffet Ticaret Kollektif Sirketi, Ketenciler, Cam-Porselen Hani 5, Istanbul, Turkey

Baghdad: Shakerchi Building, Baghdad, Iraq

Teheran: c/o Sadig Ipektchi, Seraye Haji Hassan, Teheran, Iran

Karachi: 1st Floor, Zam Zam Chambers, Dunolly Road, Karachi 2, Pakistan

New Delhi: No. 4 Keeling Road, New Delhi, India.

Bombay: 4th Floor, Navsari Chambers, Outram Road, Fort, Bombay 1, India

Calcutta: 5th Floor, Subol Dutt Bldg., 13 Brabourne Road, Calcutta-1, India

Colombo: c/o Nippon Machinery & Engineering Co., 27, Canal Row, Colombo 1, Ceylon

Rangoon: Top Floor, 128/132, Phayre Street, Rangoon, Burma

Singapore: Room 6, Asia Insurance Bldg., Finlason Green, Singapore

Bangkok: 4th Floor, Prasitsin Bldg., Suriwongse Road, Bangkok, Thailand

Saigon: Room 101, Ong-Tich Bldg., 7 Boulevard Nguyen Hue, Saigon, South Viet-Nam

Vientiane: Mr. Itsusaburo Nagata, c/o Lao-Japan Trading Co., Ltd., Boite Postale No. 173, Vientiane, Laos

Phnom-Penh: 139 Vithei Khemarak, Phoumin Phnom-Penh, Cambodia

Djakarta: c/o Kresna Trading Co., Ltd., Djalan Telepon Kota No. 22 Djakarta-Kota, Indonesia

Manila: c/o Fil-Pan Development Inc., Room 412, Quisumbing Bldg., Dasmarias, Manila, Philippines

Butuan: Corner Juan Luna Street, El Filibusterismo Street, Butuan City, Philippines

Hong Kong: Room 406/7, The Bank of East Asia Bldg., 10 Des Voeux Road Central, Hong Kong

Taipei: 25 1st Section, Wuchang Street, Taipei, Taiwan

Naha: Kokuba Shoji Bldg., 11-Kumi, 10-ku, Naha

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Rio de Janeiro: Daiichi Bussan do Brasil, Comércio e Indústria, Ltda., Rua da Assembléia 61-62 Andar, Rio de Janeiro, Brasil

São Paulo: Daiichi Bussan do Brasil, Comércio e Indústria, Ltda., Predio "Conde de Prates", Rua Líbero Badaró 293, 102 Andar, Conj. 10A São Paulo, Brasil

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Hamburg: Deutsche Bussan Import und Export G.m.b.H., Hamburg 1, An der Alster 63, F.R. Germany

Düsseldorf: Deutsche Bussan Import und Export G.m.b.H., Düsseldorf, Steinstrasse 21, F.R. Germany

Paris: Société Française MITSUI BUS-SAN, 17 Rue du Colisée, Paris 8, France

Cairo: Daiichi Bussan Kaisha (Egypt) Ltd., 18 Adli Pacha, Cairo, Egypt

Melbourne: Daiichi Bussan (Australia) Pty. Ltd., Western House, 83/89 William Street, Melbourne C.I., Australia

Sydney: Daiichi Bussan (Australia) Pty. Ltd., Paul Bldg., 33/35, Pitt Street, Sydney, Australia

Company Notes

Iino Kaiun's Expansion Plan:—Iino Kaiun is now preparing an ambitious expansion plan for doubling its fleet to vie with world shipping firms on the international arena. The Company now owns a comfortably sizable fleet of 26 ships aggregating 383,000 gross tons (inclusive of 15 freighters and 11 tankers). The new plan calls for the building of eight freighters aggregating 90,000 gross tons (including two 28,000 tonners) and three supertankers totalling 140,000 gross tons. With the completion of this program due in March, 1960, Iino Kaiun will become one of the largest shipowners in this country with a big fleet of 800,000 tons under control (including ships owned by its subsidiaries such as Naigai Kaiun, Kokko Kaiun, Nippon Kaiun, Fuji Kaiun and Kochi Kaiun). The Company is scheduled to spend some ¥23,000 million for the present building program with half the amount raised out of its own pocket. With the shipping market steadily softening in recent months, the Company has not been particularly affected, as two-thirds of the bottoms under its management are tankers in big demand. With the estimated revenue for the current term ended September placed at ¥7,700 million, the Company expects to get a profit of about ¥2,700 million before depreciation.

60th Anniversary of the Nippon Kangyo Bank:—The Nippon Kangyo Bank was established on August 2, 1897. It means that the bank is going to celebrate the 60th anniversary of its existence on the 2nd of this month. It was in 1896 that the Nippon Kangyo Bank Law was enacted to meet the public demand of the time, and the bank was founded the following year with its object to develop Japan's industry and agriculture.

Since its start it has undergone many changes, but always played a big role in the passing phases of economical conditions. The present Nippon Kangyo Bank is well known as one of the leading commercial banks which handle foreign exchange business.

It opened on June 20 this year a representative office in London in addition to the two representative offices in New York and Taipei.

With the glorious history of sixty years and the public confidence built up during the period, "bright" may be the only word that should describe the future of the Nippon Kangyo Bank, Ltd.

Tekkosha's M.M. Output Doubled:—The production of metallic manganese by

Tekkosha, Ltd. has been doubled upon the completion of the expansion project in early July of its Yamagata plant. The ¥200,000,000 expansion project has boosted the output to 150 tons monthly. The Company has been exporting about 80% of its metallic manganese output to the U.S., Britain and Germany.

Kurashiki Spinning to Brazil:—Kurashiki Spinning's project to advance to Brazil is getting concrete shape. The Company is getting ready to submit an application soon to the Japanese and Brazilian Governments for permission to establish a "Brazil Wool Spinning Co." In Brazil with the support of Toyo Menka and Kanematsu Shoten. Salient points of Kurashiki Spinning's "Brazil project" are as follows: 1) the construction of a wool spinning mill (equipped with 5,600 spindles) in Porto Alegre, Rio Grande do Sul, Brazil; 2) the establishment of "Kurashiki Brazil Co." in Sao Paulo with capital of 5,000 Contos (1 Conto equals about ¥19,460), subject to an increase to 2,000,000 Contos in the future with the approval of the two Governments concerned. The Capital will be supplied at the following ratios—Kurashiki Boseki, 60%; Toyo Menka and Kanematsu Shoten, 15% each; the Brazilian side, 10%; 3) spinning machines and other equipments to be exported on a consignment basis from Japan, operating funds to be supplied "on the spot," and Brazilian wool to be used as raw material.

Toyota Cars U.S.-Bound:—Toyota Motor Sales is planning to sell its midget cars on the U.S. market through a sales office to be opened soon in Los Angeles, Cal. Mr. S. Kato, its managing director, will be dispatched to the United States to make arrangements with American auto circles soon. The present sales plan in this connection calls for 1) the establishment of a sales office directly controlled by Toyota Motor Sales in Los Angeles, Cal.; 2) this sales office will be incorporated as an American juridical person under the name of California Toyota Motor Sales Co. and capitalized at \$1,000,000; 3) the initial sales goal is set at 100 cars monthly. At first, Toyopet Crown de luxe will be marketed in the first stage, but a super-midget car (a four-passenger coach costing about ¥400,000) now in test production will replace Toyopet Crown in the later stage.

Hitachi Gets International Deals:—Hitachi Seisakusho was awarded two contracts for hydro-electric equipments through international biddings held in

Mexico and India. The Mexican contract calls for the delivery of a water turbine (10,000 H.P.) for the use of the Central Power Board at Sinaloa at the cost of \$150,000 while the Indian order is for a water turbine for power generation (40,000 H.P.) and a generator (32,500 KVA), together with all parts and accessories, for Ganguwal Power Station Kotla Power Station. The contract price stands at about £700,000.

Fujisawa Pharmaceutical:—Fujisawa Pharmaceutical (Osaka) has taken another step forward in its advance to overseas markets through the signing of a contract on July 4 with Lebetit (Italy). The contract calls for the exports from Japan to Italy of Trichomycin (in powdered form) and the extension of technical guidance from the Japanese firm to the Italian company. Some of the salient points of the Italo-Japanese contract under review are as follows: 1) Fujisawa Pharmaceutical will supply Lebetit with Trichomycin (in powdered-bulk form) and give technical guidance for the manufacture of finished Trichomycin products 2) Charge for technical guidance will be included in the prices of Trichomycin supplied; 3) Lebetit, as the minimum obligatory purchase, will buy Tricomycin valued at ¥130,000,000 in the form of final products; 4) Lebetit will have the exclusive right to sell Trichomycin in Italy under the trade mark to be decided with the approval of Fujisawa Pharmaceutical. The products to be marketed will carry the identification indicating that Fujisawa's Trichomycin is used; 5) The contract will remain in force for the period of three years from April 1, 1957 to March 31, 1960. Negotiations for the present contract had been under way since February, 1956 with finishing touches given after the visit to Japan of Mr. Silvestre, an engineer of Lebetit at the end of 1956. It is understood that the report on the merits of Trichomycin by Prof. Magara of Nippon Medical College at International Trichomonas Symposium held in France in May, 1957 served to further accelerate the realization of the present deal. According to Fujisawa Pharmaceutical, the proposal for the conclusion of a similar contract has been made recently by Gemy (Laboratories) SA of France, and a formal contract is likely to materialize in the near future. Although Fujisawa Pharmaceutical has already been giving technical assistance relative to Trichomycin to confectiory companies in Argentina, Sweden, Mexico and Venezuela, this is the first fullfledged contract (involving both the supply of products and the extension of technique) ever signed.

Book Review

Nippon: A Charted Survey of Japan 1957

by The Tsuneta Yano Memorial Society

Kokusei-Sha, Tokyo, 1957. pp. 265. ¥1,200

This is the third English edition of Nippon-Kokusei-Zue (first published in 1927), after the first and the second English version were published in 1936 and 1955 respectively.

The volume consists of 22 chapters, The Present Condition of Economic Development in Japan, The Climate, Foreign Trade and others, mainly dealing with various aspects of Japan's economy. Each chapter carries a few pages of lucid exposition together with summarized tables and charts. In addition, 36 pictures show the scenic beauties and development of modern industries of Japan.

Written simply and easily with appropriate figures and charts, the Japanese edition has been quite popular also among those who are not well-acquainted with economic problems. Similarly, readers abroad will find the volume a good source of general information on the present conditions of Japan.

(K.U.)

Zusetsu Nippon no Zeisei

(Japan's Fiscal Policy with Charts) (in Japanese).

Edited by Research Section, Finance Minister's Secretariat.
Toyo Keizai Shinpo-Sha, Tokyo, 1957. pp. 377 ¥250.

Japan's budget for fiscal 1957, declared the government, drastically cuts the people's tax burden in order to relieve the strained livelihood of the people. This has been said the principal feature of the budget. As usual other aims of the budget are to help industrial development, foreign trade, social security, education, science and technology, defense and maintenance of peace, etc.

Economists have been busy commenting on these. But their comments, though sometimes quite appropriate on some particular points—the raising of the official rice price or the freightage of the National Railways, for instance—, helped little the majority of the people grasp the essential details of the nature of the budget and the structure of Japan's fiscal policy behind it. The present volume marvelously satisfies this need of the people, though of course not without some qualifications.

Thus the book clarifies the present system of fiscal policy in Japan as it is with substantial details, as the titles of the ten chapters of the volume suggest: National Economy and Fiscal Policy, Income to Treasury, Expenditure from Treasury, Land and Industries, Social Welfare, Education and Culture, Defense and Security, Debentures, Finance of Local Government, Economic Independence and Fiscal Policy. Written in simple style with 123 charts, it gives a clear idea of how Japan's fiscal policy works.

It is to be congratulated that the book in its last chapter touches upon the topical interest of the recently deteriorated balance of international payments and the various counter measures the government has taken.

(A.S.)

Nippon Keizai Nenpo 95 (No. 2 of 1957)

(Japan Economic Yearbook) (in Japanese).

Toyo Keizai Shinpo-Sha, Tokyo, 1957. pp. 288 ¥220.

The first issue of this yearbook was published in 1930 and it has now reached the 95th issue. It is the oldest of its kind in Japan and has been evaluated highly for its appropriate analyses of Japan's economic problems as well as its long history.

Part I of the present issue discusses a long-term view of the progress and capital formation of Japanese economy. The extremely high growth rate of Japan's economy after

the war is a problem that drew attention of the world. An important factor supporting this rapid growth rate is Japan's high rate of capital accumulation. So Part I first describes the method and nature of Japan's capital accumulation before and after the war. Another factor supporting the high growth rate, the fact that the post-war capital coefficient has been lower than the prewar, is explained next. Then it concludes with an outlook for the future that the capital coefficient will rise and the growth rate will become lower accordingly.

Part II and Part III analyse the political and economic conditions of Japan, Europe and the United States on the basis of materials made available during March, 1957 and May, 1957.

Part II is divided into eight chapters dealing with Fiscal Policy, Finance, Trade, Investments in Principal Industries, Labor, Agriculture, and Stock Market, each vividly describing important features of its field. Throughout these chapters, the most important problem is why Japan's international payments situation was so rapidly worsened. Of various causes for the worsening of the payments situation, excessive investment is pointed out to be the principal one, and the circumstances in which a strong restraint on finance have been taken despite the discontent of enterprise were explained.

Part III on the international politics treats at length the development of the U.S. Middle Eastern Policy and the problem of disarmament. On the economic conditions, it deals with the continuing high level of prosperity in Europe and the U.S. and contradictions involved in the Soviet and the Communist China's economic plans and the great revision of the economic control structure in the Soviet Union.

An investigation of the Japanese corporate assets at the end of 1955, a chronology of important political and economic events, and principal statistics end the volume.

(K.F.)

The World is Catching Up

by Harry Riemer

2 Vols. pp. 638

Fairchild Publications Inc., New York, 1956.

An eight months' world air tour by the editor of the Daily News Record produced this travelogue centered around the textile industry. This is a collection of fragmentary information which he could gather and record of his impressions. The very title sounds ironical when one considers the fact that how the American textile industry has had to fear the Japanese textile industry. It is the ironies of this type that amuse us.

Yet his remarks are occasionally such that it is a pity that the volumes are primarily intended to Americans and not to the peoples of the world he visited: "And yet it would seem that in this age, such a thing as worshipping a cow, or a monkey, or a snake, or a rat, would be completely out-moded. . . . It was shocking to us, as tourists, to see women out in the Japanese countryside engaged in the most difficult occupations—working on the roads, using pick and shovel, labor which we here in the United States would regard as only for men, and then, only strong men. A nation that permits its women to engage in this kind of rough, hard labor can hardly be classed as anything else but a backward nation."

So it goes in a vicious circle that the prevailing socio-economic institutions in the world willy-nilly forces some Japanese women to work on the roads, labor whose disappearance hinges on the economic prosperity of Japan, which in turn depends on the enlightenment of a country whose supposedly higher standard must be protected by imposing high tariffs and quota restrictions on one of the few hopefuls of Japanese industries.

(M.K.)

1. Business Indices

Items	Units & Standards	1954 Average	1955 Average	1956 Average	1957						1956	
					Jan.	Feb.	Mar.	Apr.	May	June	June	
Finance & Banking												
Treasury Acct. with the Public (6).....	Fiscal Year ¥100,000,000	1,900	2,766	1,634	1,409	958	246	205	936	1,046	198	
Bank of Japan Accounts (1) End of Year or Month												
Bank Note Issue	¥100,000,000	6,220	6,738	7,848	6,764	6,586	6,662	6,837	6,390	6,771	5,969	
Loans Total	"	2,433	319	1,399	1,660	2,415	2,763	2,726	3,243	4,754	629	
Foreign Exchange Loans	"	218	127	30	28	22	15	14	7	7	81	
Government Bonds	"	4,835	5,536	5,867	4,515	3,439	5,099	3,610	2,997	2,179	4,552	
Postal Savings and Postal Transfer Savings (2) End of Year or Month	"	4,363	5,166	6,327	6,542	6,579	6,652	..	..	..	5,443
All Banks Account (1) End of Year or Month												
Deposits	"	30,366	37,243	47,642	46,812	47,021	49,719	48,988	49,575	..	39,378	
Loans	"	29,119	31,958	40,661	40,835	41,575	43,012	43,277	43,903	..	32,902	
Stocks												
Average Share Price (Tokyo Stock Exchange) (3)												
Dow Jones	Yen	340.79	374.00	485.33	572.80	573.99	567.73	587.55	547.58	524.70	502.21	
Simple Arithmetic Means	"	110.94	108.17	126.43	125.99	126.10	124.38	127.36	118.00	112.66	137.32	
Tokyo Stock Exchange (3)												
Total Turnovers	Million Stock	1,238	2,505	6,692	978	751	711	820	775	443	716	
Investment Yields	%	9.44	7.96	6.68	6.47	6.44	6.37	6.42	7.17	7.29	6.33	
Prices												
Bank of Japan Wholesale Price Indices (1)												
Total Average	1934-36=100	34,920.8	34,293.1	35,793.8	37,382.0	37,347.0	37,347.0	37,312.0	37,136.8	36,996.6	35,525.2	
Total Average	1952=100	99.7	97.9	102.2	106.7	106.6	106.6	106.5	106.0	105.6	101.4	
Producer Goods	"	96.7	95.1	104.0	109.3	109.6	109.6	109.9	109.4	108.8	103.4	
Consumer Goods	"	103.6	101.6	99.7	103.3	102.7	102.6	102.2	101.5	101.4	98.7	
Consumers Price Indices (4)												
All City Average	1951=100	119.1	117.8	118.4	121.3	121.5	122.4	122.6	123.4	..	118.1	
Tokyo	"	118.1	116.4	117.5	119.8	119.4	120.6	120.7	121.8	121.6	118.7	
Tokyo Retail Price Indices (1)	1952=100	106.9	102.4	102.1	102.3	102.4	104.1	105.3	105.7	104.5	103.1	
Tokyo Living Cost Indices (5)	1946=100	850.2	847.4	832.3	847.0	860.3	868.9	879.1	883.8	874.4	836.8	
Foreign Trade Price Indices (6)												
Exports	July, 1949-June, 1955=100	123.0	123.5	128.9	130.9	130.5	129.9	129.8	128.3	..	128.9	
Imports		105.7	106.5	104.5	107.3	107.4	107.1	106.7	106.5	..	104.4	
Foreign Trade												
Exports & Imports (6)												
Exports	Million Dollars	1,629	2,011	2,501	169	213	274	225	237	210	211	
Imports	"	2,399	2,471	3,230	323	344	393	433	451	392	280	
Balance	"	770	461	729	159	131	119	208	214	181	70	
Foreign Trade Volume Indices (6)												
Exports	1953=100	133.2	174.1	207.9	165.0	212.6	267.9	218.0	..	..	210.6
Imports	"	103.6	108.9	138.3	160.9	168.9	183.9	205.2	..	..	146.0
Foreign Exchange Accounts (1)												
Total Receipts	Million Dollars	2,309	2,668	3,225	285	277	300	298	310	..	245	
Total Expenditure	"	2,209	2,174	2,931	299	340	354	355	407	..	217	
Balance	"	100	494	293	14	63	54	57	97	..	28	
Foreign Currencies Holdings (6)*	"	1,053.6	1,316.7	1,421.1	1,359.6	1,284.4	1,192.1	1,112.7	..	..	1,454.5
Production & Inventories												
Industrial Activities Indices (7)												
Whole Industries	1934-36=100	173.5	187.9	228.7	227.8	243.3	254.9	259.5	267.7	..	221.2	
Mining & Manufacturing	"	166.9	180.7	220.5	219.1	234.6	245.9	250.4	258.2	..	212.9	
Manufacturing	"	173.8	189.4	232.8	231.0	248.0	261.3	265.1	232.4	..	234.1	
Producer Delivery Indices (8)												
Mining & Manufacturing	1950=100	172.6	188.1	226.2	236.2	252.2	262.1	265.2	269.2	..	220.9	
Manufacturing	"	181.8	198.2	240.0	250.0	268.4	279.7	283.3	286.8	..	234.0	
Raw Material Inventories Indices (8)	"	165.7	155.3	190.7	218.7	222.3	234.7	260.2	276.2	..	181.5	
Producers Good Inventories Indices (8)												
Mining Manufacturing	"	155.5	144.4	134.4	143.0	144.1	143.0	149.3	161.4	..	130.4	
Manufacturing	"	158.9	148.6	144.0	154.8	155.9	154.9	161.9	175.1	..	139.8	
Sellers Inventories Indices (8)	22 items surveyed	109.2	113.6	128.2	136.6	139.5	141.7	150.1	..	..	115.6
Warehouse Inventories Indices (8 Biggest Cities) (9)	1950=100											
Volume	1,000 tons	1,699	2,056	2,807	2,588	2,723	..	..	..	..	2,072
Value	¥100,000,000	108,482	131,606	179,027	176,035	177,379	..	..	..	..	129,931
Railroad Carloadings Indices (10)	1941=100	105.6	105.9	113.4	120.5	121.2	111.7	119.0	118.0	..	111.2	
All Japan Department Sales Indices (8)	"	22,193.7	23,668.9	28,867.2	23,049.0	23,543.2	34,759.0	31,983.3	..	..	26,251.0
Labor, Household Budget												
Employment Indices (Regular Employees) (11)												
All Industries	1951=100	111.4	110.0	113.3	115.1	115.5	117.0	120.8	..	..	113.5
Manufacturing	"	113.0	111.5	116.1	118.7	119.2	121.2	126.9	..	..	116.4
Employment Total (4)	10,000	4,014	4,150	4,228	4,033	4,067	4,230	4,332	..	..	42,420
Total Unemployment (4)	"	58	68	64	57	61	82	59	..	..	70
Regular Employee Cash Wage Total (11)												
All Industries	Monthly · yen	17,898	18,624	20,201	18,332	17,623	18,824	18,765	..	..	17,489
Manufacturing	"	16,309	16,717	18,348	16,652	16,433	16,039	16,684	..	..	15,925
Regular Employees Real Wage Indices (11)												
All Industries	1951=100	125.5	134.3	145.9	129.2	124.0	131.5	130.8	..	..	125.5
Manufacturing	"	119.3	126.7	139.7	123.8	122.0	118.1	122.8	..	..	120.6
Wage Earners Household Budget (All Cities) (4)												
Income	Monthly · yen	28,283	29,169	30,776	26,122	26,106	29,000	28,488	..	28,098	26,679	
Expenditure	"	26,428	26,786	27,543	25,328	24,167	28,287	26,601	..	26,389	25,128	
Wage Earners Household Budget (Tokyo) (4)												
Income	"	33,701	34,845	36,122	30,012	30,148	34,092	33,603	..	..	32,679
Expenditure	"	31,450	32,388	32,603	29,707	28,715	33,165	30,888	..	..	30,688
Consumer Standards (7)												
All Japan	1951=100	123.7	127.8	135.2	132.8	132.7	136.6	..	..	..	131.9
All Cities	"	128.5	134.9	145.1	132.0	139.6	143.8	146.5	..	..	141.9
Farm Area	"	116.5	117.1	120.4	134.1	122.3	125.7	..	..	..	123.5

Sources: (1) Bank of Japan. (2) Ministry of Postal Services. (3) Tokyo Stock Exchange. (4) Statistics Bureau, Prime Minister's Office. (5) The Oriental Economist. (6) Finance Ministry. (7) Economic Planning Board. (8) MITI. (9) Transportation Ministry. (10) Japanese National Railway. (11) Labor Ministry. Notes: * End of Year or Month. ^ Revised at source.

2. Treasury Accounts with the Public

(In ¥100,000,000)

(Ministry of Finance.)

Items	Fiscal 1956							Fiscal 1957			Fiscal 1956
	Apr.- June	July- Sept.	Oct.- Dec.	Feb. 1957	Mar. 1957	Jan.- Mar.	Total	Apr.	May	June	June
General Account											
Revenue											
Taxes	2,002	2,216	2,383	721	1,052	2,616	9,217	662	653	1,183	898
Monopoly	336	255	155	85	113	254	1,000	122	136	108	118
Others	163	97	150	30	78	134	546	86	34	27	29
Total	2,501	2,570	2,688	836	1,243	3,004	10,763	830	823	1,318	1,045
Expenditure											
Security Forces	118	108	129	16	56	156	511	103	28	14	7
Defense Agency	267	158	250	66	82	197	872	148	110	66	63
Public Works Expenditure	340	250	446	52	183	262	1,298	163	62	48	61
Local Finance Equalization Grants	748	460	416	—	217	258	1,882	449	0	451	374
Compulsory Education Expenditure	191	166	238	2	49	158	753	63	152	0	—
Others	925	698	1,053	247	337	770	3,446	452	259	291	263
Total	2,689	1,840	2,532	383	924	1,801	8,762	1,378	611	870	768
Balance	(-) 88	730	156	453	319	1,203	2,001	(-) 548	212	448	277
Special Accounts and Others											
Foodstuff Control	580	(-) 401	(-) 1,024	258	278	844	(-) 1	379	350	275	(-) 43
Trust Fund Bureau	(-) 200	82	(-) 283	(-) 4	407	(-) 427	(-) 992	(-) 70	(-) 95	(-) 86	(-) 21
Industrial Investment	28	43	(-) 22	—	66	53	102	(-) 63	(-) 18	(-) 2	8
National Railways and Nippon Tele- graph & Tel. Public Corporation	147	(-) 16	(-) 120	2	(-) 142	(-) 19	(-) 8	(-) 30	16	(-) 58	(-) 26
Finance Corporation	(-) 157	(-) 176	(-) 280	(-) 58	(-) 108	(-) 221	(-) 834	(-) 73	(-) 68	(-) 87	(-) 57
Others	(-) 28	267	(-) 121	151	78	539	899	(-) 138	81	129	124
Total	370	(-) 365	(-) 1,608	346	(-) 235	769	(-) 834	(-) 1	266	170	(-) 15
Adjustment Items	(-) 94	(-) 1	49	(-) 68	(-) 147	(-) 121	(-) 167	30	(-) 18	(-) 7	(-) 97
Foreign Exchange	(-) 94	(-) 21	(-) 13	224	309	762	634	314	476	425	33
Balance	94	343	(-) 1,416	958	246	2,613	1,634	(-) 205	926	1,046	198

3. Monthly Report of All Banks

(April, 1957: Excluding Bank of Japan)

(In million yen)

(Bank of Japan)

	All Banks								Trust Account (17)
	Debenture Issuing Banks (2)	City Banks (13)	Local Banks (65)	Trust Banks (6)	Total (86)	Leftover from Pre. mo.	Month- end, pre- vious year		
Deposits									
Current Deposits	16,349	765,854	151,485	41,092	974,721	1,068,246	719,782	—	
Ordinary Deposits	8,297	576,359	348,471	19,072	952,201	954,468	796,567	—	
Deposits at Notice	23,100	224,348	55,355	26,447	329,252	351,759	254,330	—	
Time Deposits	11,149	1,354,038	765,661	40,028	2,170,877	2,135,431	1,674,779	—	
Special Deposits	7,655	139,689	48,512	6,227	202,064	181,520	150,611	—	
Instalment Savings	—	36,650	100,091	527	137,270	136,791	127,803	—	
Deposits for Tax Payment	246	7,062	2,487	409	10,206	10,082	8,552	—	
Deposits of Gov't and Gov't Agencies	1,350	120,001	—	—	121,351	132,886	114,513	* 168,960	
Other Deposits	—	842	—	—	842	732	629	** 171,136	
Total	68,129	3,224,846	1,472,065	133,806	4,898,847	4,671,918	3,847,575	—	
Borrowed Money	14,807	269,725	1,755	5,012	291,301	593,982	61,060	—	
Borrowings for Settlement of Import Bills ..	338	60,878	—	808	62,025	61,623	208	—	
Call Money	2,200	136,260	8,817	15,082	162,360	129,009	97,863	—	
Cash and Deposits									
Cash in Hand	16,847	640,305	103,989	26,948	788,090	850,782	514,440	2,776	
Deposits with Domestic Money Organs	1,354	6,832	18,370	2,237	28,787	33,480	46,946	1,051	
Call Loans	12,829	8,753	59,580	2,856	84,018	57,006	57,231	21,662	
Securities									
Government Bonds	1,759	38,430	10,952	840	51,983	52,321	76,732	79	
Local Government Bonds	2,557	31,523	30,656	365	65,102	62,921	37,216	1,605	
Foreign Bonds	—	2,499	—	—	2,499	2,499	2,358	3	
Corporate Debentures	10,747	231,405	187,057	6,487	435,698	425,211	396,079	4,814	
Stocks	10,729	68,916	23,570	4,353	107,570	106,975	70,226	2,485	
Other Bonds	314	281	1,183	1,420	3,205	3,274	1,837	23	
Total	26,108	373,057	253,426	13,468	666,060	653,203	584,450	9,011	
Advance									
Discount Bills	12,297	978,256	337,503	67,958	1,396,015	1,411,074	1,080,862	16,391	
Bank Acceptance Bills	—	1,193	12,435	344	13,973	11,813	14,160	—	
Commercial Bills	12,297	976,112	323,530	67,605	1,379,545	1,396,611	1,063,857	—	
Documentary Bills	—	949	1,536	9	2,496	2,649	2,843	—	
Advances against Guarantee	395,044	1,551,468	825,642	60,631	2,832,787	2,797,231	2,103,244	297,063	
Loans on Bills	46,370	1,495,976	774,984	59,192	2,376,524	2,369,074	1,726,505	101,728	
Loans on Deeds	348,674	18,769	37,972	1,091	406,507	379,631	309,187	56,833	
Overdrafts	—	36,722	12,685	347	49,755	48,554	31,551	—	
Loans for Settlement of Import Bills	1,255	94,558	1,528	1,338	98,951	92,944	55,184	—	
Total	408,868	2,624,282	1,164,673	129,929	43,27,753	4,301,251	3,239,291	313,455	

Note: * Money in trust total. ** Loan trust.

4. Bank of Japan Ten-day Report

(In million yen) (Bank of Japan)

Items	1957			1956
	June 10	June 20	June 30	June 30
LIABILITIES				
Bank Notes Issued	594,448	608,874	677,114	569,909
Bankers' Deposits	4,905	6,878	9,794	7,528
Government Deposits	45,778	43,325	53,288	42,069
Other Deposits	24,451	26,660	27,601	23,803
Inter-Bank Remittance Deposits	—	—	—	—
Reserves Against Contingencies	31,208	31,208	31,208	26,908
Other Liabilities	36,619	37,589	39,760	36,021
Capital Stock	100	100	100	100
Reserve Funds	15,873	16,373	16,373	14,286
Total	753,884	771,121	855,241	747,627
ASSETS				
Bullion	447	447	447	447
Cash	3,914	4,075	4,040	3,739
Discounted Bills	42,421	47,652	48,915	9,849
Loans	323,888	345,601	426,544	53,101
Foreign Exchange Loans	763	763	763	8,173
Advances to Government	—	—	—	—
Government Bonds	208,616	202,918	217,972	455,263
Foreign Ex. Accounts	134,288	125,048	114,126	177,046
Inter-Bank Remittance	—	—	—	—
Agencies Accounts	6,498	12,120	10,173	7,678
Other Assets	33,045	32,491	32,257	32,327
Total	735,884	771,121	855,241	747,627

5. Outstanding Loans to Industries by All Banks

(In million yen) (Bank of Japan)

End of Month	January, 1957			February, 1957		
	Loans Total	For Equip-ments	For Co. of ¥10 Million or less	Loans Total	For Equip-ments	For Co. of ¥10 Million or less
Manufacturing total	1,531,077	208,175	594,228	2,002,521	218,019	637,817
Foodstuffs	198,796	10,545	102,937	205,463	10,889	102,672
Textiles	429,801	40,733	162,738	445,234	41,395	165,953
Wood and Wood Products	75,257	1,809	63,338	78,006	2,000	65,443
Paper & Related Products	111,289	16,600	19,731	116,023	17,341	20,385
Printing & Publishing	40,780	4,664	15,851	41,675	4,732	16,332
Chemicals	237,514	40,197	32,385	248,435	43,316	32,462
Glass & Ceramics	66,639	14,010	14,761	69,519	14,289	15,317
Primary Metals	225,049	38,074	27,604	231,636	39,172	28,884
Machinery	95,243	5,423	42,753	99,861	5,940	44,233
Electric Machinery & Tools	135,632	11,852	17,001	138,384	12,496	17,364
Trans. Machinery & Tools	126,298	9,343	18,749	142,784	10,148	19,570
Agriculture	10,691	517	10,317	12,765	545	12,479
Forestry & Hunting	10,584	48	8,673	11,356	65	9,327
Fishery	51,654	16,118	18,331	50,747	16,068	18,552
Mining	94,630	17,662	12,769	92,531	17,373	12,752
Metal Mining	18,924	4,237	940	18,549	1,272	805
Coal Mining	64,580	10,691	8,652	62,703	10,455	8,659
Construction	92,719	1,193	41,300	95,066	1,270	42,517
Wholesale & Retail	1,297,795	15,134	657,387	1,350,407	15,889	672,761
Wholesale	1,185,244	9,009	576,258	1,233,945	9,833	589,047
Retail	112,550	6,124	81,129	116,462	6,055	83,714
Finance Insurance	70,913	82	10,134	68,329	87	10,226
Real Estate	27,992	10,179	12,861	28,454	10,223	13,609
Trans. & Public Utilities	326,091	223,444	23,808	342,284	234,855	24,227
Railways	32,056	12,999	170	32,923	13,209	157
Shipping	102,865	67,203	9,264	107,561	79,402	9,444
Electric	121,386	119,421	33	129,872	127,002	34
Services	78,353	23,789	54,529	81,348	21,744	56,019
Local Public Corporation	58,664	19,247	—	61,637	18,893	—
Others	52,951	2,658	52,774	55,212	2,812	55,094
Total	4,104,119	535,250	1,496,817	4,252,663	557,848	1,535,436

6. Tokyo-Osaka Call-Money and Its Rates

(Bank of Japan)

Year & Month	Tokyo			Osaka		
	Rate	Balance at the End of the Month (million yen)		Rate	Balance at the End of the Month (million yen)	
	Over-Month -End (sen)	Uncon- ditional (sen)		Over-Month -End (sen)	Uncon- ditional (sen)	
1956: Dec. ..	2.50	2.50	67,722	2.50	2.50	23,463
1957: Jan. ..	2.30	2.00	70,797	2.35	2.00	25,430
Feb. ..	2.70	2.63	70,751	2.65	2.63	26,721
Mar. ..	3.00	2.90	73,750	3.10	3.00	25,057
Apr. ..	2.30	2.10	84,611	2.40	2.10	33,750
May ..	2.65	2.35	74,921	3.20	2.40	34,915
1956: May ..	1.55	1.55	53,476	1.60	1.60	24,024

7. Postal Savings & Postal Transfer Savings

(In million) (Ministry of Postal Services)

End of Month	Postal Savings			Postal Transfer Savings	Total
	Receipts	Payments	Balance		
1956: Oct.	59,858	46,680	595,792	6,531	602,303
Nov.	46,543	42,978	599,357	7,344	606,701
Dec.	76,089	52,068	623,379	9,378	632,757
1957: Jan.	67,580	43,669	647,289	6,973	654,262
Feb.	50,905	47,295	653,900	7,098	657,998
Mar.	64,236	58,233	656,902	8,324	665,226
1956: Mar.	52,751	46,377	538,255	6,045	544,301

8. Bank Clearings

(In billion yen) (Tokyo Clearing House)

Year & Month	All Clearing		Tokyo		Osaka	
	No. of Bills	Amount	No. of Bills	Amount	No. of Bills	Amount
1956: Aug. ..	(1,000)	3,374	(1,000)	1,543	(1,000)	810
Sept. ..	12,134	3,457	4,818	1,591	2,480	838
Oct. ..	11,520	3,779	4,628	1,727	2,346	902
Nov. ..	13,014	3,599	5,178	1,599	2,641	872
Dec. ..	12,511	4,718	4,995	2,068	2,544	1,137
1957: Jan. ..	16,261	3,460	6,466	1,561	3,314	785
Feb. ..	11,108	4,427	4,427	1,633	2,146	851
Mar. ..	11,966	3,619	4,763	1,933	2,437	851
Apr. ..	12,755	4,301	5,145	2,566	1,001	885
1956: Apr. ..	13,168	4,235	5,244	1,885	2,692	885
1956: Apr. ..	11,445	3,066	4,616	1,416	2,322	723

9. Average Yields of Debentures

(Industrial Bank of Japan)

Month	Gov't Bonds	Financial Debenture		Industrial Debenture
		Interest Bearing	Discount	
1956: August	6.362	7.204	6.224	7.410
September ..	6.324	7.204	6.224	7.380
October	6.331	7.204	6.224	7.372
November ..	—	7.204	6.224	7.372
December ..	6.342	7.204	6.224	7.388
1957: January	—	7.204	6.224	7.362
February ..	6.362	7.204	6.224	7.375
March	6.324	7.204	6.224	7.360
April	6.331	7.204	6.224	7.360
1956: April	6.331	7.411	6.224	7.701

Note: ▲ Revised at source.

10. Government Bonds

(In million yen)

(Bank of Japan)

End of Month	Government Bonds			Foreign Exchange Fund Bills			Food Notes			Outstanding Amounts of Corporate Debentures
	Issue	Redemption	Balance	Issue	Redemption	Balance	Issue	Redemption	Balance	
1957: January	88	73	408,655	8,000	47,993	99,044	138,012	189,926	298,153	805,852
February	482	509	408,627	35,000	76,044	58,000	72,374	186,141	234,386	701,013
March	22,333	21,620	409,343	65,054	42,973	80,681	177,435	82,012	329,809	819,233
April	696	670	409,369	25,030	46,813	58,268	185,582	289,315	226,076	693,713
1956: April	555	443	425,993	167,000	145,000	167,000	260,000	280,000	290,140	883,133

11. Corporate Debentures & Public Corporation Bonds

(In million yen)

(Industrial Bank of Japan)

End of Month	Corporate Debentures									Public Corporation Bonds		
	Banking Bonds			Industrial Bonds			Total					
	Issue	Redem- ption	Balance	Issue	Redem- ption	Balance	Issue	Redem- ption	Balance	Issue	Redem- ption	Balance
1957: January	18,212	13,873	414,192	14,254	3,615	▲295,597	32,466	17,486	709,799	2,638	—	106,176
February ..	18,404	14,500	418,005	11,785	3,256	▲304,121	30,189	17,757	722,126	2,677	298	108,555
March	19,342	14,891	422,455	10,875	3,348	▲311,647	30,217	18,239	734,102	5,558	—	114,114
April	18,308	12,552	428,211	12,710	3,679	▲320,678	31,018	16,231	748,889	3,850	400	117,565
May	17,463	12,238	433,443	11,870	3,374	329,174	29,339	15,612	762,617	3,537	271	120,831
1956: May	15,151	12,685	379,210	5,950	3,895	242,952	21,101	16,580	622,163	5,612	270	84,913

12. Contracts & Investments of Mutual Life Insurance Companies

(In million yen)

(Mutual Life Insurance Association)

End of Month	Mid-Month Contract Amounts	End-Month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1956: November ..	107,899	2,650,714	97,540	9,813	93,225	9,490	79,996	23,400	4,223	4,706
December ..	113,922	2,703,213	103,497	5,205	96,548	9,770	82,879	24,149	3,921	4,828
1957: January	95,732	2,747,401	102,637	5,994	100,999	10,152	86,910	24,523	3,464	4,485
February ..	94,183	2,792,011	106,847	6,966	101,457	10,887	86,530	25,130	3,165	4,521
1956: February ..	81,965	2,203,425	90,829	5,483	61,207	5,649	54,342	20,158	3,898	3,843

13. Contracts & Investments of Loss Insurance Companies

(In million yen)

(Loss Insurance Association)

End of Month	Mid-Month Contract Amounts	End-month Contract Amounts	Loans Total	Call Loans	Negotiable Securities			Real Estate	Cash & Deposits	Others
					Total	Debentures	Stocks			
1956: November ..	1,663,689	7,902,481	8,391	5,261	45,866	1,829	40,955	14,548	22,120	620
December ..	1,915,341	8,067,626	8,684	4,672	48,316	1,893	43,029	14,808	24,668	424
1957: January	1,670,552	8,192,712	8,962	4,812	51,931	1,398	46,447	14,892	22,664	659
February ..	1,663,309	8,343,328	9,170	5,646	52,494	1,704	46,555	14,995	23,632	697
1956: February ..	1,216,926	7,255,836	10,526	4,327	32,338	1,452	29,018	13,149	22,890	626

14. Stock Issue Plan & Paid-Up Capital

(In million yen)

(Ministry of Finance)

Year & Month	Stock Issue Plan						Paid-Up Capital					
	Over ¥50 million		Under ¥50 million		Total		Over ¥50 million		Under ¥50 million		Total	
	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital	No. of Effective Cases	Increase in Capital
1956: December	156	66,847	639	8,717	765	75,564	105	42,372	605	7,978	710	50,351
1957: January	4	876	588	6,565	592	7,441	178	77,134	866	11,340	1,047	88,475
February	8	835	409	3,650	417	4,485	2	135	302	2,522	304	2,677
March	16	4,925	522	5,397	538	20,322	—	—	473	4,322	473	4,322
April	17	6,146	443	9,764	460	15,910	12	1,122	540	10,057	552	11,181
May	13	4,639	524	7,264	537	11,903	9	1,240	430	7,473	439	8,713
1956: May	24	25,349	369	5,100	393	30,449	23	6,802	384	4,671	407	11,473

15. Tokyo Wholesale Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textiles	Fuels	Metal & Machinery	Building Materials	Chemical Products	Sundries	By Uses		
									Pro-ducer's Goods	Capital Goods	Con-sumer's Goods
1957: February	106.6	105.7	86.0	112.1	118.8	135.9	88.1	93.3	109.6	126.7	102.7
March	106.6	105.8	84.2	112.4	118.6	137.8	88.3	94.2	109.6	127.1	102.6
April	106.5	106.3	84.3	110.4	117.6	138.3	88.8	94.0	109.9	127.0	102.2
May	106.6	106.5	81.8	111.9	116.5	138.8	88.8	93.8	109.4	126.9	101.5
June	105.6	106.7	80.0	112.1	115.8	138.1	88.4	93.9	108.8	126.5	101.4
1956: June	101.4	103.9	89.3	102.4	107.6	118.7	86.7	91.2	103.4	112.9	98.7

Notes: Food Notes in Table 10 do not include Korean food notes. Public Corporation Bonds are the total of National Railways Bonds and Telephone & Telegraph Corporation Bonds.

16. Tokyo Retail Price Indices

(1952=100)

(Bank of Japan)

Year & Month	Total Average	Agricultural Products	Textile Products	Metal Products	Wood Products	Fuel	Miscellaneous	*Total Average	Total Average (1934-6=100)
1957: January	102.3	108.2	89.0	99.6	103.7	131.9	94.7	100.1	30,739.5
February	102.4	108.0	90.0	99.2	105.0	128.7	95.2	100.5	30,769.6
March	104.1	110.8	90.2	99.1	106.5	127.8	96.1	100.9	31,280.4
April	105.3	112.9	90.4	99.2	107.2	131.6	95.8	101.2	31,641.0
May	105.7	114.2	88.8	99.1	107.2	130.5	96.2	101.1	31,761.2
June	104.5	112.3	87.8	99.1	107.2	127.7	96.6	101.6	31,400.6
1956: June	103.1	111.5	89.0	97.6	101.9	106.9	93.7	98.7	30,979.9

17. Consumer Price Indices

(1951=100)

(Bureau of Statistics, Prime Minister's Office)

		Total Average	Food	Staple Food	Nonstaple Food	Clothing	Light & Fuel	Housing	Miscellaneous
All Cities	1956: December	120.1	115.3	123.6	111.1	83.5	145.0	151.2	144.2
	1957: January	121.8	116.6	123.8	112.0	83.5	152.1	151.6	144.7
	February	121.5	117.3	124.2	113.1	83.5	151.1	151.8	143.8
	March	122.4	118.9	124.4	115.5	83.5	148.8	153.0	144.2
	April	122.6	118.6	124.9	114.6	84.0	147.3	154.1	145.6
	May	123.4	119.8	126.7	115.5	84.6	146.7	154.4	145.9
	1956: May	118.1	113.3	124.2	106.4	83.8	135.8	144.4	143.8
Tokyo	1957: January	119.8	114.7	120.9	111.4	82.9	150.2	145.5	142.7
	February	119.4	114.4	121.1	110.9	82.7	148.4	145.0	142.2
	March	120.6	116.6	121.5	114.1	82.7	146.5	145.8	142.1
	April	120.7	116.1	121.8	113.1	81.8	145.0	148.2	144.7
	May	121.8	117.4	123.2	114.4	83.9	145.2	148.0	145.0
	June	121.6	116.9	124.4	113.0	83.2	145.8	153.6	144.9
	1956: June	118.9	114.6	121.4	111.1	83.7	136.8	142.7	141.9

18. Labor Population Survey

(In 1,000)

(Labor Ministry)

Year & Month	Total (1) Population	Population 14 years old and over						Agriculture & Forestry		Non-Agricultural Industry	
		Total (2)	Labor Force			Not in Labor Force	Totally Unemployed	Not at Work (3)	At Piece-Work (4)	Not at Work (3)	At Piece-Work (4)
			Total of the following three columns	Agriculture & Forestry	Non-Agricultural Industries						
1956: December	90,400	63,210	42,330	14,450	27,330	560	20,780	270	6,930	290	4,080
1957: January	90,500	63,370	40,900	13,290	27,050	570	22,370	310	7,570	300	4,410
February	90,600	63,490	41,280	13,640	27,030	610	22,160	330	6,750	260	3,830
March	90,700	63,600	43,120	14,820	27,480	820	20,430	250	6,300	320	4,100
April	90,800	63,700	43,910	16,230	27,090	590	19,740	190	5,990	270	4,000
1956: April	89,900	62,420	43,120	17,000	25,410	700	19,210	250	6,260	270	3,400

19. Labor Disputes & No. of Participants

(1,000 Participants)

(Labor Ministry)

Year & Month	Dispute Total		Not Accompanied by Dispute Tactics		Accompanied by Disputes									
	No. of Cases	No. of Participants	No. of Cases	No. of Participants	Total		Strikes		Lock-outs		Work Slowdown		Business Control	
					No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants	No. of Cases	No. of Participants
1956: Nov. ..	185	406	53	67	139	338	113	201	1	(157)	59	159	—	—
Dec. ..	193	534	92	382	104	152	81	52	3	(1,170)	39	174	1	(51)
1957: Jan. ..	47	224	29	208	19	16	13	3	3	(227)	6	15	—	—
Feb. ..	63	406	33	261	37	144	27	35	2	(66)	15	119	—	—
Mar. ..	159	260	48	56	117	203	89	137	5	(394)	50	101	1	(245)
Apr. ..	149	203	62	42	89	161	76	154	3	(226)	33	58	—	—
1956: Apr. ..	115	171	48	85	74	86	52	67	3	(303)	32	232	—	—

20. Indices for Industrial Activities

(1934-36=100)

(Economic Planning Board)

Year & Month	Industrial Activities				Manufacturing									
	All	Public Works	Mining-Manu-facturing	Mining	All	Food-stuff	Textiles	Printing & Binding	Chemicals	Rubber & Leather	Wood & Wood Products	Ceramics	Metals	Ma-chinery
1956 Average	(153) 228.7	(2) 294.8	(151) 220.5	(10) 129.7	(141) 232.8	(12) 235.9	(12) 100.0	(1) 134.8	(37) 368.2	(10) 216.2	(2) 210.3	(7) 214.4	(18) 265.9	(42) 395.8
1956: ^December	250.2	340.1	240.7	141.2	254.3	259.6	109.1	141.4	408.7	244.6	225.6	244.5	298.2	410.7
^February	227.8	318.4	219.1	132.8	231.0	220.2	97.1	143.8	358.4	235.0	215.2	224.6	294.3	367.5
1957: ^March	243.3	339.0	234.6	137.2	248.0	219.5	107.5	141.4	400.4	259.2	218.6	240.1	303.4	401.4
^April	254.9	323.1	245.9	133.7	261.3	234.1	105.6	141.3	435.6	279.2	223.0	258.5	321.8	431.4
^May	259.5	321.6	250.4	143.6	265.1	229.5	108.9	146.3	444.2	280.6	220.6	263.0	314.0	449.3
May	267.7	339.7	258.2	146.6	273.4	232.4	110.0	154.2	470.7	282.2	220.6	267.1	325.1	457.6
1956: May	221.2	298.9	212.9	130.9	224.2	234.1	96.0	133.7	391.3	198.4	206.8	212.2	265.7	310.6

Notes: * except perishable vegetables. Figures in parentheses in Table 19 are not in 1,000. Figures in parentheses in Table 20 are the numbers of companies surveyed.

21. Production by Major Items

Items	In	1956 Total	1957 April	1957 May	Items	In	1956 Total	1957 April	1957 May
Electricity, Coal, Cokes, Gas			▲	▲				▲	▲
Electricity	mil. KWH	61,413	5,620	6,205	Ordinary Transformers	1,000 Units	▲ 233.7	29.3	..
Coal	1,000 Tons	46,555	4,440	4,463	Mercury Rectifiers	1,000 KW	▲ 143.0	10.0	19.6
Cokes	Tons	8,240,343	781,470	797,026	Condensers (High Pressure) ..	"	▲ 1,289.3	118.3	..
Gas	1,000 CM	2,191,922	255,223	235,050	Electric Welders	Unit	20,861	2,593	..
Minerals					Circuit Breakers	"	210,083	45,802	56,950
Gold	KG.	7,509	539	675	Electric Fans	1,000 Units	" 797.3	115.7	121.4
Silver	Tons	191.8	14.2	15.7	Electric Bulbs	1,000 Pcs.	161,503	13,338	13,095
Copper	"	78,469	6,173	6,859	Special Electric Bulbs	"	70,691	9,191	8,601
Lead	"	29,524	2,649	2,669	Watt-hour Meters	1,000 Units	▲ 1,940.9	126.4	132.3
Zinc	1,000 tons	123.0	10.0	10.8	Electric Meters	Units	53,650	6,666	6,334
Sulphuric Iron	"	3,098.5	260.5	274.0	Storage Batteries	1,000 Units	▲ 800.5	90.3	..
Iron	"	1,087.2	78.7	82.6	X-Ray Equipments	Sets	9,726	522	384
Refined Sulphur	"	247.2	21.6	23.2	Telephones	1,000 Units	▲ 676.0	82.0	78.9
Crude Oil	1,000 Kl.	349.9	28.0	29.2	Telephone Switchboards	Sets	5,485	844	815
Natural Gas	1,000 CM.	176,772	18,934	19,044	Automatic Tel. Switchboards	1,000 Circuits	▲ 252.4	39.9	38.6
Non-ferrous Metals & Products					Radios	1,000 Sets	▲ 2,981.2	324.2	333.5
Electric Gold	KG.	9,186	531	829	Televisions	"	▲ 312.1	48.3	49.7
Electric Silver	Ton	253.9	16.9	21.3	Electric Tubes for Receiving	1,000 Pcs.	45,151	5,020	5,093
Electric Copper	"	126,156	8,038	12,228	Elect. Tubes for Transmis. ..	"	▲ 143.0	13.2	..
Electric Lead	"	46,362	3,098	4,954	Truck Chassis	Units	27,866	4,166	4,525
Zinc	"	83,205	8,660	12,901	Bus Chassis	"	6,052	720	568
Electric Tin	"	1,185.3	97.0	97.2	Small Four-wheeler Chassis ..	"	67,201	7,312	7,610
Mercury	"	287.2	43.0	48.3	Small Three-wheeler Chassis ..	"	105,513	10,692	10,950
Nickel	"	5,663.6	440.1	700.7	Two-wheelers	"	105,276	19,153	19,600
Aluminum	"	65,997	4,322	6,189	Bicycles	"	1,397,340	241,916	236,545
Rolled Aluminum	"	62,518	5,655	5,703	Industrial Locomotives	"	445	50	45
Rolled Copper	"	150,266	16,188	16,216	Binoculars	1,000 Pairs	▲ 410.2	27.2	31.3
Wires & Cables	"	114,066	14,957	14,100	Cameras	1,000 Pcs.	▲ 1,265.5	110.2	121.6
Oil Products					Watches	"	▲ 6,892.1	680.1	701.6
Gasoline	1,000 Kl.	3,035.5	334.6	331.0	Forged iron	Ton	1,241,523	129,630	125,508
Light Oil	"	886.6	75.6	87.8	Textiles & Yarns				
Heavy Oil	"	5,982.5	644.8	673.2	Cotton Yarn	1,000 lb.	▲ 1,087,021	100,268	98,848
Lubricants	"	447.8	39.5	43.0	Silk Yarn	"	4,573	332	309
Iron & Steel Products					Rayon Staple Yarn	"	227,395	24,353	25,885
Pig-iron	1,000 Tons	5,987.1	558.5	601.2	Rayon Filament Yarn	"	514,644	52,344	54,171
Steel	"	11,106.4	1,101.4	1,150.5	Synthetic Chemical Textiles ..	"	53,006	6,312	6,234
Open Hearth Steel	"	8,966.9	874.3	905.6	Woollen Yarn	"	232,260	23,272	24,413
Converter Steel	"	448.9	35.5	42.0	Best Fibre Yarn	"	101,393	9,271	9,386
Electric Furnace Steel	"	1,690.5	151.7	202.9	Staple Fibres	"	689,924	59,237	59,330
Ferro-alloys	"	276,415	31,539	40,511	Cotton Textiles	Mil. sq. y.	3,479.8	330.1	333.3
Rolled iron materials	"	8,185.7	778.5	781.4	Silk Textiles	1,000 sq. y.	212,854	18,630	18,909
Iron Shapes (Medium size) ..	Ton	494,535	56,587	50,538	Spun Silk Textiles	"	25,688	1,608	1,482
Iron Bars	"	26,744	1,999	2,091	Rayon Textiles	"	▲ 920,693	78,606	77,007
Iron Tubes Materials	"	257,224	24,902	29,231	Rayon Staple Textiles	"	1,112,251	109,681	112,011
Iron wire	"	572,391	47,346	40,241	Woollen Textiles	"	220,384	18,698	18,234
Iron Sheets (Thick)	"	1,921,527	207,004	210,081	Best Fibre Textiles	"	130,722	12,373	11,836
Iron Sheets (Thin)	"	688,264	53,984	52,212	Chemicals				
Rolled Special Steel	1,000 Tons	494.8	56.9	61.8	Ammonium	1,000 Tons	879.6	79.3	89.1
Iron Tubes	Ton	509,087	54,555	56,367	Ammonium Sulphate	"	▲ 2,332.6	194.9	233.4
Gas-welded steel tubes	"	82,718	9,931	9,863	Superphosphate of Lime	"	2,058.8	198.2	193.5
Forged Steel	"	165,556	17,624	17,632	Carbide	"	756.0	82.3	117.6
Cast Steel	"	209,723	23,474	22,159	Calcium Cyanamide	"	507.9	37.7	56.0
Tin-Plates	"	244,700	20,199	21,223	Synthetic Chem. Fertilizers ..	"	1,203.3	135.0	139.8
Galvanized Sheets	1,000 Tons	590.2	49.4	46.0	Caustic Soda	"	645.3	59.8	64.5
Machinery & Machine Tools					Soda Ash	"	379.4	33.8	32.6
Steam Boilers	Ton	32,165	5,717	1,956	Synthetic Hydrochloric Acid	Ton	267,421	23,110	25,678
Steam Turbines	KW.	266,921	1,200	..	Bleaching Powder	"	31,713	1,663	1,474
Water Turbines	"	639,199	7,803	..	Liquid Chlorine	"	93,165	9,608	10,099
Gasoline Engines	HP.	223,129	37,152	35,858	Crude Bensol	"	118,884	11,485	11,292
Oil Burners	"	464,959	48,828	40,255	Refined Bensol	"	▲ 56,648	5,455	5,577
Petroleum Engines	"	589,203	47,198	43,834	Pure Toluol	"	9,465	912	892
Machine Tools	1,000 Pcs.	2,607	18	..	Industrial Explosives	"	32,526	2,712	3,083
Drills	"	16,077	1,867	1,814	Paper & Pulp				
Transmitters	1,000 Tons	9,251	1,017	1,200	Pulp	Long Ton	2,167,139	198,117	208,991
Cogs	"	5,564	776	805	Western Style Papers	1,000 lb.	3,429,872	320,865	337,598
Thrashing Machines	Units	251.7	15.2	15.8	Ceramics				
Hulling Machines	"	65.9	3.8	4.0	Firebricks	1,000 Tons	▲ 873.6	103.4	105.2
Rice-cleaning Machines	"	79,412	4,424	4,260	Chinawares	"	438.1	44.6	44.9
Air Compressors	Ton	7,244	664	890	Glass Products	"	▲ 446.7	48.3	50.6
Ventilators	"	8,181	843	..	Red Bricks	Mil. pcs.	254.5	22.6	24.6
Pumps	"	26,805	2,549	2,780	Sheet Glass	1,000 Boxes	7,724	669	675
Refrigerators	"	16,490	1,040	1,190	Cement	1,000 Tons	13,024	1,392	1,406
Conveyers	"	22,653	2,714	2,270	Miscellaneous				
Cranes	"	21,708	2,722	3,170	Automobile Tires	1,000 pcs.	3,150	405.8	416.3
Winches	"	6,301	582	580	Metal Toys	"	▲ 307,739	24,184	26,509
Elevators	"	8,575	714	660	Pencils	1,000 Gross	7,136	602	585
R. Staple Weaving Machines	Units	21,920	1,691	1,722	Needles	Mil. pcs.	▲ 3,014	258	219
Cotton Weaving Machines ..	"	23,189	3,590	2,771	Match	Match tons	▲ 432.5	39.7	41.2
Wool Weaving Machines	Tons	5,844	204	190	Piano	Sets	14,130	1,746	1,968
Sewing Machines	1,000 Unit	1,722.4	183.9	167.6	Leathers	Ton	▲ 71,967	7,047	6,812
Lathes	Units	6,667	615	500					
Drilling Machines	1,000 Tons	4,433	328	636					
Millwork Power Generators ..	KVA	788.1	46.5	..					

Source: Ministry of International Trade & Industry.

Note: ▲ Revised at source, ▲ Provisional figures.

22. Machinery Orders (In ¥ million)

(Economic Planning Board)

Items	1955	1956	1956		1957			1956
	Average	Average	Dec.	Jan.	Feb.	Mar.	Apr.	Apr.
By Products								
Prime Movers	3,183	7,725	14,221	11,562	10,396	24,815	9,171	5,239
Heavy Electric Machinery	4,621	9,696	14,752	12,914	17,126	20,387	16,742	7,800
Communication Apparatus	1,448	2,291	2,289	1,676	1,991	3,514	4,540	569
Industrial Machinery	5,890	12,531	17,300	13,489	20,824	16,997	17,471	10,372
Machine Tools	159	567	882	657	773	1,150	1,200	469
Rolling Stocks	1,738	2,380	1,965	3,124	5,564	3,647	2,309	1,701
Ships	13,832	23,626	21,390	23,638	6,539	24,028	3,975	16,590
Total of the Above	30,871	58,810	73,499	67,060	63,213	94,541	55,408	42,738
Iron & Steel Frames	1,187	1,514	2,738	1,444	4,308	2,363	2,562	1,001
Bearings	986	1,611	2,407	1,856	2,254	1,917	2,084	1,430
Electric Wires & Cables	4,013	4,390	9,231	8,870	8,283	8,141	8,333	6,026
By Customers								
Foreign Sources	21,093	17,041	17,622	23,347	2,635	11,814	—	17,199
Government	3,193	4,620	5,730	2,457	6,873	6,511	8,135	1,991
Private	14,279	35,266	48,154	39,310	51,138	73,871	41,721	21,576
Manufacturing	6,711	17,112	21,636	18,330	30,484	27,957	27,621	12,428
Textiles	1,244	2,809	3,032	2,787	3,217	3,219	3,272	3,125
Chemicals	1,765	4,831	5,960	3,288	6,223	8,053	5,320	2,518
Iron & Steel	834	3,067	4,885	5,831	11,690	7,340	7,591	1,576
Machinery, Shipbuilding	1,927	4,713	5,365	4,302	5,690	6,961	9,235	4,110
Others	941	1,631	2,390	2,124	3,741	2,384	2,203	1,097
Non-Manufacturing	7,569	18,154	26,517	20,980	24,053	45,909	14,103	9,148
Transportation	3,107	8,695	6,283	5,197	7,341	14,014	1,903	1,391
Electric Power	2,545	6,247	16,780	12,590	10,005	25,011	6,657	4,002
Coal Mining	249	785	500	304	633	1,210	817	484
Agriculture, Forestry, Fishery	593	851	790	810	3,488	2,142	1,136	1,211
Others	1,075	1,909	2,164	2,079	2,586	1,349	1,826	2,060
Sales Agents	1,304	1,881	1,996	1,945	2,585	2,975	3,091	1,969
Total Orders	30,871	58,810	73,449	67,060	63,213	94,541	55,408	42,738
Orders Outstanding	286,699	617,917	617,917	650,886	679,054	723,428	745,146	359,075
Sales Total	19,913	51,447	44,352	32,978	38,742	45,488	41,839	25,900

23. Electric Energy Consumption (1,000 KWH)

Supplied by Power Companies (Over 500 kw)					Industries	Self-generated				
1956	1957					1956		1957		
December*	January*	February*	March*	April*		November	December	January	February	April
252.0	240.1	267.2	233.7	238.6	Mining	51,724	50,985	47,968	47,728	45,658
32.2	29.1	28.9	30.2	34.5	Foodstuffs	2,197	3,216	2,366	2,324	905
196.2	176.4	184.1	185.9	188.3	Spinning	1,334	1,192	1,590	1,784	2,515
221.2	204.7	211.3	216.3	235.7	Paper & Pulp	71,162	79,619	73,096	69,591	79,610
639.4	587.8	562.7	575.6	851.7	Chemicals	218,178	219,116	213,216	205,092	209,675
14.6	12.7	13.4	13.9	14.0	Oil & Coal Products	2,352	2,995	3,179	2,993	3,779
21.1	20.4	21.7	22.5	22.6	Rubber Goods	—	—	—	—	—
71.6	66.8	63.3	66.9	77.2	Glass & Ceramics	102,856	107,059	91,772	114,387	122,412
544.1	498.5	503.9	490.5	700.3	Primary Metals	242,166	229,780	224,509	196,948	210,358
8.0	7.4	8.1	8.1	8.6	Metal Products	—	—	—	—	—
41.1	37.0	39.3	38.7	39.1	Machinery	614	404	277	416	370
53.7	50.5	53.6	48.0	62.8	Electric Machinery & Tools	—	—	—	—	—
81.8	75.5	81.0	80.9	80.4	Transportation Machinery & Tools	—	—	—	—	—
8.2	11.4	12.2	12.3	10.2	Other Manufacturing	—	—	—	—	—
1,937.2	1,778.2	1,783.5	1,789.8	2,325.4	Manufacturing Total	640,849	643,477	610,005	593,535	629,639
309.9	308.9	286.8	308.1	294.6	Public Utilities	168	207	213	198	220
109.4	106.5	65.4	107.7	100.7	Others	—	—	—	—	—
2,608.5	2,433.7	2,402.9	2,439.3	2,959.3	Total	692,759	694,669	658,186	641,461	675,517

24. Coal Supply & Demand (1,000 metric tons)

Year & Month	Production	Stock Deliveries			Deliveries			Others	Home Consumption	Month-end Stocks		
		Coal Dealers	Large User Factories	Adjustment	Total	Deliveries	of which Exports			Total	Coal Dealers	Large User Factories
1956: Total	48,281	(=) 68	(=) 510	(=) 113	48,326	49,767	351	(=) 1,441	48,485	3,321	1,234	2,087
1956: December	4,297	(=) 258	(=) 754	(=) 8	4,563	4,645	35	(=) 83	5,282	4,929	1,617	3,312
1957: January	4,068	(=) 276	(=) 546	(=) 5	4,349	4,472	13	(=) 123	4,882	4,107	1,341	2,766
February	4,187	(=) 54	(=) 188	(=) 3	4,244	4,439	28	(=) 195	4,404	3,865	1,287	2,578
March	4,072	(=) 53	(=) 491	(=) 23	4,148	4,418	5	(=) 270	4,634	3,321	1,234	2,087
April	4,440	(=) 184	(=) 254	(=) 6	4,262	4,414	9	(=) 152	3,999	3,759	1,418	2,341
1956: April	3,783	(=) 351	(=) 77	(=) 12	3,444	3,480	27	(=) 35	3,340	4,191	1,517	2,674

25. Supply & Demand of Pig-iron and Steel Materials (In tons)

(MITI)

Year & Month	Pig iron			Steel Materials			Special Steel		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1956: Total	5,987,104	1,255,685	87,196	8,185,676	6,275,251	297,624	494,765	373,749	23,433
1956: November	536,795	106,550	82,378	778,539	586,892	290,512	49,359	37,176	21,775
December	551,543	106,470	87,196	761,731	579,631	297,624	49,643	35,007	23,433
1957: January	573,612	120,058	95,669	764,053	568,791	322,939	51,559	39,116	23,204
February	522,216	98,244	98,562	763,699	615,725	314,174	55,472	40,598	23,400
March	588,727	112,898	110,900	840,498	634,862	322,049	58,693	42,745	21,272
1956: March	479,583	104,524	99,583	678,664	524,164	288,176	35,381	27,652	22,926

Notes: 55 machinery companies together with 18 iron frame, bearing & electric wire companies are surveyed for Table 22. * in Table 23 indicate that the unit is in million KWH. Table 24 does not include import coal. Others in "Demand" column is the balance of sales volume by un-authorized sales agents plus dust coal output. "At Collieries" column includes the coal stocks on the seaboard mines.

26. Supply & Demand of Textile Products

(MITI, Central Raw Silk Association)

Year & Month	Cotton Yarn (1,000 lb.)				Rayon Yarn (1,000 lb.)				Raw Silk (123 lb. bale)			
	Carry-overs	Receipts	Deliveries	Month-end Stocks	Carry-overs	Receipts	Deliveries	Month-end Stocks	Production	Exports	Home Deliveries	Term-end Stock
1956: Oct.	7,472	87,918	91,457	7,472	3,661	29,939	29,647	3,643	30,000	6,756	22,071	19,171
Nov.	7,929	86,925	87,138	7,716	3,643	30,890	29,821	4,712	28,387	7,078	22,424	18,056
Dec.	7,716	86,438	84,260	9,894	4,712	27,559	28,064	4,207	28,409	7,508	22,249	16,708
1957: Jan.	9,894	100,497	101,048	9,343	4,207	29,856	28,814	5,249	18,891	5,011	16,466	14,092
Feb.	9,342	90,997	91,702	8,638	5,249	29,870	29,467	5,652	23,649	4,654	19,341	13,746
Mar.	8,638	93,290	93,669	8,259	5,652	32,771	31,680	6,743	25,195	5,064	20,819	13,058
Apr.	8,259	90,895	88,860	10,294	6,743	30,644	33,741	6,646	23,265	4,926	19,547	11,840
1956: Apr.	4,413	72,136	71,772	4,777	2,637	24,302	24,372	2,537	22,306	6,408	17,800	16,649

Year & Month	Cotton Textiles (1,000 sq. yds)				Rayon Yarn (1,000 sq. yds)				Silk Textiles (1,000 sq. yds)			
	Carryovers	Receipts	Deliveries	Month-end Stocks	Carryovers	Receipts	Deliveries	Month-end Stocks	Production	Exports		
1956: Oct.	201,338	457,649	455,579	203,408	73,785	139,016	142,811	69,990	17,325	4,963		
Nov.	203,408	483,669	484,150	202,927	69,990	146,251	145,434	70,807	17,885	4,831		
Dec.	202,927	466,425	471,360	197,992	70,807	135,319	134,097	72,029	18,503	7,063		
1957: Jan.	197,992	479,322	482,853	194,461	72,029	147,581	142,821	76,789	16,994	3,770		
Feb.	194,461	485,040	473,376	206,125	76,789	152,289	155,168	73,910	17,333	4,238		
Mar.	206,125	509,798	501,266	214,657	73,910	158,221	157,090	75,041	17,471	—		
Apr.	214,657	529,984	508,840	235,801	75,041	138,227	137,511	75,757	18,629	—		
1956: Apr.	180,001	517,461	506,847	190,615	63,014	128,974	134,311	62,677	14,396	2,587		

27. Supply & Demand of Paper and Pulp

Year & Month	Pulp (long ton)				Paper, Western Style (in 1,000 pounds)				Cardboard & Japanese Style Paper (in 1,000 pounds)			
	Production	For Paper	Deliveries	In Stock	Production	Deliveries	Self-Consumption	In Stock	Production	Deliveries	Self-Consumption	In Stock
1956: Oct.	194,374	104,686	89,080	24,770	311,805	302,956	10,701	134,270	516,072	497,693	23,656	163,899
Nov.	193,403	102,357	91,393	24,423	302,640	299,203	9,234	128,472	508,858	492,274	23,470	157,013
Dec.	196,853	102,988	92,616	25,672	303,650	302,347	10,111	119,664	514,396	501,439	23,307	146,662
1957: Jan.	187,748	130,202	84,868	28,350	293,609	295,808	7,960	109,505	496,411	485,474	20,306	137,293
Feb.	188,790	99,942	88,182	29,016	296,400	298,238	8,640	99,033	507,112	494,975	22,411	127,019
Mar.	203,373	109,294	94,685	28,410	324,618	313,074	10,498	100,079	550,072	523,030	23,811	130,250
Apr.	198,117	106,796	87,263	32,462	320,865	304,363	9,262	107,318	551,556	520,067	23,791	137,947
1956: Apr.	169,437	91,664	76,334	34,050	270,353	261,834	8,597	167,036	448,280	430,931	19,002	216,058

28. Supply & Demand of Soda and Ammonium Sulphate

(In metric tons)

Year & Month	Ammonium Sulphate			Soda Ash			Caustic Soda		
	Production	Deliveries	In Stock	Production	Deliveries	In Stock	Production	Deliveries	In Stock
1956: October	200,932	181,530	175,240	32,603	31,931	6,571	59,738	51,477	11,267
November	196,687	133,408	227,912	34,327	32,584	6,665	58,993	50,473	11,614
December	198,843	159,845	261,451	35,352	34,930	5,443	59,262	51,321	11,022
1957: January	181,721	209,503	230,611	35,702	31,278	8,184	59,315	51,547	11,251
February	172,075	194,209	201,370	33,070	31,923	7,675	56,835	51,203	9,253
March	172,930	235,321	128,500	34,386	32,656	7,566	60,950	54,346	7,565
April	194,880	246,429	69,119	33,752	29,390	10,069	59,769	49,536	9,809
1956: April	202,515	203,281	93,634	30,744	28,019	5,126	50,683	43,509	7,738

29. Supply & Demand of Cement

(In tons)

Year & Month	Production	Consumption	Deliveries			Month-end Stocks
			Export	Home sales	Total	
1956: Oct.	1,156.5	6.0	134.8	1,078.6	1,213.4	811.7
Nov.	1,171.0	5.8	154.2	1,051.5	1,205.7	271.1
Dec.	1,175.4	6.7	154.4	980.5	1,135.0	304.9
1957: Jan.	1,019.4	5.3	159.1	890.2	1,049.3	269.8
Feb.	1,158.5	6.0	160.2	970.5	1,130.7	291.8
Mar.	1,293.8	8.8	190.3	1,135.3	1,325.6	251.8
Apr.	1,391.9	7.9	169.1	1,148.4	1,317.5	318.4
1956: Apr.	1,181.0	4.8	135.1	983.0	1,118.2	337.3

30. Supply & Demand of Rubber

(Crude Rubber tons)

Year & Month	Production (A)	Deliveries (B)	Month-end Stocks	Delivery Rates (B) (A)	Stock Rates (C)-(A)
1956: Oct.	9,602	9,612	3,326	100	35
Nov.	9,264	9,036	3,657	97	39
Dec.	9,500	9,659	3,457	102	36
1957: Jan.	8,801	8,834	3,481	100	40
Feb.	9,723	9,668	3,577	99	37
Mar.	10,562	10,403	3,811	98	36
Apr.	10,733	10,456	4,118	97	38
1956: Apr.	7,787	7,825	3,757	100	48

31. Department Store Sales

(In million yen)

(MITI)

By Month	No. of Stores	Total	Deliveries			Household Utensils	Provisions	Dining Room	Services	Outside Store Sales	Others	Gift Certificates
			Export	Home sales	Total							
1956: November	167	23,524	12,943	3,864	2,631	2,992	608	199	16	269	199	
December	168	52,571	27,156	8,734	5,213	9,873	792	249	29	525	1,530	
1957: January	171	17,226	7,752	3,650	1,866	3,006	593	146	18	194	210	
February	173	17,596	7,983	3,784	1,991	2,927	555	147	16	187	237	
March	174	25,978	12,632	5,580	2,674	3,782	818	223	22	276	411	
April	174	23,904	11,158	5,290	2,815	3,369	777	227	21	247	301	
1956: April	160	19,620	9,068	4,445	2,066	2,928	612	178	18	304	222	

32. JPA Procurement Contracts (In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	Merchandise	Services	Total	Merchandise	Services
1956 Average	13,874	5,772	8,102	—	—	—
1956: October	14,651	6,405	8,246	1,853,255	1,058,683	794,572
November	10,052	5,661	4,391	1,863,203	1,064,277	798,926
December	7,981	3,578	4,403	1,871,091	1,067,802	803,289
1957: January	16,776	8,610	8,166	1,887,867	1,076,412	811,455
February	8,138	5,006	3,132	1,895,979	1,081,392	814,587
March	10,977	5,077	5,900	1,907,047	1,086,455	820,592
April	15,185	9,353	5,812	1,922,212	1,095,808	826,404
May	12,908	7,334	5,574	1,935,091	1,103,117	831,974
1956: May	14,843	9,275	5,568	1,759,849	1,029,027	730,822

33. JPA Procurement Payments (In \$1,000)

Year & Month	Monthly			Cumulative total as from June 26, 1950		
	Total	U.S.'s Burden	Japan's Burden	Total	U.S.'s Burden	Japan's Burden
1956 Average	28,732	21,380	7,352	—	—	—
1956: September	34,403	24,403	10,000	2,537,685	1,959,401	578,284
October	33,894	23,894	10,000	2,571,579	1,983,295	588,284
November	28,311	23,311	5,000	2,599,890	2,006,606	593,284
December	28,113	23,113	5,000	2,628,003	2,029,719	598,284
1957: January	24,526	17,859	6,667	2,652,529	2,047,578	604,951
February	24,734	14,734	10,000	2,677,263	2,062,312	614,951
March	23,596	18,596	5,000	2,700,859	2,080,908	619,951
April	24,770	18,937	5,833	2,725,629	2,099,845	625,784
1956: April	21,934	17,079	4,855	2,384,156	1,845,592	538,564

34. Exports and Imports by Value

Year & Month	Value (In \$1,000)			Value (In million yen)		
	Exports	Imports	Balance	Exports	Imports	Balance
1956 Total	2,500,636	3,229,734	(→) 729,098	900,229	1,162,704	(→) 262,475
1956: November	216,061	281,990	(→) 65,929	77,782	101,516	(→) 23,734
December	271,772	318,539	(→) 46,767	97,838	114,674	(→) 16,836
1957: January	109,005	327,975	(→) 158,970	60,842	118,071	(→) 57,229
February	213,253	344,161	(→) 130,908	76,771	123,898	(→) 47,127
March	274,387	392,953	(→) 118,566	98,779	141,463	(→) 42,684
April	224,556	433,032	(→) 208,476	80,840	155,891	(→) 75,051
May	236,831	452,708	(→) 215,877	85,259	162,975	(→) 77,716
June	210,581	391,956	(→) 181,375	75,809	141,104	(→) 65,295
1956: June	210,764	280,396	(→) 69,632	75,875	100,942	(→) 25,067

35. Exports and Imports by Settlement Area

(In 1,000 dollars)

Year & Month	Exports				Imports			
	Total	Dollar	Sterling	Open Account	Total	Dollar	Sterling	Open Account
1956 Total	* 2,500,636	1,095,272	906,457	498,897	* 3,229,734	1,725,151	1,057,476	447,020
1956: September	205,194	91,263	73,509	40,422	* 258,986	141,972	84,100	32,908
October	233,811	106,427	84,402	42,982	* 304,773	117,896	91,028	35,845
November	216,061	100,699	80,962	34,400	* 281,990	161,378	86,960	33,649
December	271,772	120,845	108,755	42,172	* 318,539	183,949	99,305	35,273
1957: January	* 169,005	78,817	67,563	22,625	* 327,975	177,263	116,861	33,851
February	* 213,253	89,368	94,058	27,668	* 344,161	194,536	118,351	31,273
March	* 274,387	124,275	113,028	34,046	* 392,953	206,073	149,118	37,762
April	* 224,556	108,548	85,054	30,934	* 433,032	221,241	173,707	38,072
1956: April	* 195,251	88,001	67,348	39,892	* 255,261	119,957	95,975	39,328

36. Foreign Exchange Receipts and Payments by Month

(In 1,000 dollars)

Year & Month	Receipts			Payments			Balance
	Exports	Invisible	Total	Imports	Invisible	Total	
1956 Total	2,402,241	822,521	3,224,763	2,470,199	461,229	2,931,429	293,334
1956: October	215,857	73,504	289,362	221,399	42,648	264,048	25,314
November	197,863	71,958	269,821	234,695	34,593	269,289	532
December	205,820	80,370	286,190	231,868	42,213	274,081	12,108
1957: January	218,714	65,974	284,689	261,759	37,011	298,770	(→) 14,082
February	212,506	64,160	276,667	278,260	61,618	339,879	(→) 63,211
March	226,859	72,895	299,754	302,741	51,285	354,027	(→) 54,272
April	223,663	74,606	298,270	301,699	53,381	355,081	(→) 56,810
May	228,696	81,106	309,802	349,092	57,818	406,910	(→) 197,108
1956: May	178,428	67,032	245,458	181,554	35,449	217,004	28,454

Notes: The yen-base contracts in Table 32 are those contracts with the Japanese Government pays for according to the article 25 of the Japan-America Administrative Agreement out of "defense expenses." * includes optional cargoes in exports and imports from such special sources as pelagic fisheries, Japanese territorial waters, foreign territorial waters, and high seas in Imports.

37. Exports and Imports by Country

(In million yen)

Settle- ment Area	Countries	Exports					Imports				
		1956 Total	Jan. 1957	Feb. 1957	Mar. 1957	April 1957	1956 Total	Jan. 1957	Feb. 1957	Mar. 1957	April 1957
	Total Exports or Imports ..	900,229	60,842	76,771	98,779	80,840	1,162,704	118,071	123,898	141,463	155,891
	Asia Total	367,989	27,711	35,191	38,917	32,180	377,253	35,667	35,962	42,798	46,333
0	Korea	22,898	924	1,517	2,230	2,769	4,001	405	307	370	406
£A	China	24,242	1,824	1,672	1,546	1,752	30,113	2,590	1,813	2,566	2,720
£	Ryukyu Islands	24,241	1,633	1,385	1,744	1,728	7,990	741	709	634	626
£	Hong Kong	48,406	4,252	4,340	4,650	4,006	6,725	846	985	872	780
0	Formosa	28,029	2,606	2,165	2,492	2,109	16,383	3,233	2,011	2,677	2,643
	Southeast Asia Total	235,173	18,899	20,109	26,398	20,821	217,261	20,051	21,547	21,766	23,953
£	South Viet Nam	19,238	1,464	1,707	2,320	2,186	568	45	34	8	232
£A	Thailand	21,922	1,968	2,745	3,462	2,326	12,641	759	856	662	1,892
£	Malayan Union	5,652	281	528	554	433	38,986	2,605	3,042	3,823	4,305
£	Singapore	22,366	1,278	2,150	2,585	1,826	10,933	1,656	1,688	1,458	1,774
0	Philippines	19,981	1,623	1,844	2,220	2,002	42,033	3,525	3,503	3,249	3,955
£	British Borneo	366	35	13	40	15	10,997	961	1,272	1,354	1,213
0	Indonesia	27,282	1,905	2,423	2,229	1,297	32,035	3,347	2,895	2,388	2,504
£	Burma	13,057	2,114	1,857	2,594	2,587	15,254	453	1,198	1,752	2,761
£	India	37,907	3,314	5,175	4,209	3,072	37,229	3,045	3,827	4,547	3,527
£	Pakistan	6,363	202	308	421	422	18,224	2,073	2,585	2,568	1,844
£	Ceylon	8,733	302	1,163	855	446	1,172	108	150	269	296
£	Iran	6,877	481	786	1,145	1,024	6,142	775	801	1,043	735
£	Iraq	7,218	521	1,183	945	494	4,502	955	565	694	717
£	Aden	2,888	281	296	498	449	1,216	230	201	214	193
£	Saudi Arabia	2,932	171	262	241	313	49,784	4,134	3,811	6,017	6,750
0	Kuwait	2,876	193	494	551	241	14,609	1,533	1,587	2,857	3,587
£	Turkey	2,290	1	12	15	15	378	1	19	3	163
£	Jordan	824	4	138	59	16	81	—	—	—	—
£	Syria	1,893	17	306	118	31	1,054	29	1	—	80
£	Lebanon	857	25	74	152	98	404	0	—	—	0
£A	Europe Total	90,135	4,315	8,049	12,444	8,651	83,334	10,937	11,512	13,320	14,825
£A	Sweden	5,880	410	686	1,332	605	2,508	302	226	659	653
£	Denmark	3,637	83	172	1,486	238	1,013	125	97	231	149
0	United Kingdom	22,749	552	1,021	2,852	2,692	23,969	3,066	3,400	3,387	3,875
£	Netherlands	9,646	436	962	711	758	4,361	486	477	757	607
£	Belgium & Luxemburg	5,141	268	350	419	382	4,180	704	1,389	1,572	1,708
£A	Economic Union	5,056	577	446	980	504	7,774	676	757	1,147	1,280
£A	France	13,108	1,077	1,441	3,334	1,482	20,221	4,304	3,753	4,455	5,119
£A	West Germany	1,568	—	—	—	0	2,858	1	4	12	11
£A	East Germany	3,568	188	320	334	340	5,043	645	512	526	712
£	Switzerland	4,974	245	483	85	214	5,456	19	13	20	59
£A	Italy	6,005	166	388	365	167	3,513	160	201	244	246
£A	Norway	527	20	1,280	47	40	147	21	112	83	77
0	Finland	595	62	93	52	42	557	120	34	17	11
£A	Austria	1,653	101	160	148	95	347	23	37	45	68
£	North America Total	234,301	14,062	17,638	23,064	20,673	516,063	54,731	60,283	61,179	65,226
£	Canada	24,885	1,192	2,030	1,969	1,827	51,885	5,101	3,796	3,801	4,003
£	U.S.A.	195,590	11,758	14,404	17,207	16,265	383,254	45,104	52,050	53,647	56,893
£	Mexico	2,548	278	187	134	268	46,119	3,807	2,626	2,582	1,405
£	Cuba	1,366	50	96	94	139	22,138	685	1,483	628	957
£	Panama	1,594	72	88	1,996	1,396	92	8	10	254	1,272
£	Colombia	2,662	138	131	154	100	608	90	89	52	19
£	Ecuador	438	45	61	55	31	99	—	4	5	16
£	South America Total	48,273	2,021	2,077	3,449	2,263	45,960	2,009	2,820	5,515	3,712
0	Peru	3,010	590	413	398	322	9,243	562	556	1,462	1,015
£A	Brazil	16,256	362	494	1,603	588	18,075	506	852	2,228	1,405
£	Argentina	14,016	75	186	210	185	12,963	628	684	902	396
£	Chile	2,682	256	166	138	303	1,698	89	314	605	591
0	Africa Total	141,300	11,827	11,767	18,406	15,515	36,520	1,853	2,798	3,575	4,240
£	Egypt	3,741	178	357	526	561	15,505	405	1,155	1,686	1,830
£	Nigeria & Ghana	26,621	1,603	1,495	1,804	1,745	224	22	31	27	37
£	Liberia	81,233	7,674	6,634	12,594	9,532	484	2	0	7	325
£	Belgian Congo	1,361	137	115	170	151	58	5	6	19	48
£	British East Africa	6,017	609	660	732	750	5,630	368	351	482	507
£	Union of South Africa ..	12,465	855	1,369	1,474	1,344	9,492	889	965	868	1,038
£	Australia & Oceania Total ..	18,227	906	1,272	1,405	1,551	103,542	12,874	10,522	15,076	21,552
£	Australia	11,114	487	572	766	964	89,436	11,123	8,851	13,067	18,958
£	New Zealand	2,138	158	175	112	163	3,387	359	326	498	754
£	Hawaii	2,499	125	221	164	172	381	31	240	56	274
0	New Caledonia	387	1	47	19	59	6,137	683	555	1,128	867
0	French Oceania	45	2	1	3	2	1,523	203	227	218	279
£	Guam	525	39	5	57	51	584	196	77	79	285

Source: Finance Ministry.

Note: 0 denotes open account area; \$, dollar area; £, sterling area. £A stands for Specified Area A and B.

38. Exports by Major Articles

(In thousand yen)

Articles	Unit	1956		1957					
		Total		February		March		April	
		Volume	*Value	Volume	Value	Volume	Value	Volume	Value
Food	—	—	63,797	—	4,261,291	—	5,880,169	—	5,344,805
Fish & Shellfish	m.t.	196,489	43,427	16,847	3,088,563	21,573	4,636,708	14,464	3,919,584
Canned, Bottled Fish	"	108,359	32,181	5,835	1,684,307	8,614	3,193,847	8,205	2,996,999
Cereals	—	—	970	—	42,974	—	35,935	—	48,598
Fruit & Vegetables	m.t.	127,118	9,963	8,208	466,570	5,194	404,950	7,048	822,208
Sugar & Sugar Preparations	—	—	798	—	22,266	—	25,130	—	24,048
Tea	1,000 lbs.	22,579	2,035	1,685	140,843	1,642	138,567	988	79,583
Beverage & Tobacco	—	—	959	—	161,276	—	222,501	—	232,755
Beverages	—	—	664	—	29,495	—	41,825	—	50,041
Tobacco	—	—	295	—	131,781	—	180,676	—	182,714
Raw Materials	—	—	34,197	—	2,425,368	—	2,744,603	—	2,463,531
Lumber	cu.m.	546,344	10,257	27,770	542,945	29,730	583,899	29,742	606,286
Textile, Fibre	1,000 lbs.	68,821	19,876	5,674	1,423,288	8,557	1,649,293	5,427	1,450,980
Raw Silk	"	9,957	15,046	556	939,912	653	1,036,529	672	1,066,207
Fertilizers & Mineral Products	—	—	192	—	19,554	—	14,102	—	24,006
Animal & Vegetable Materials	—	—	3,000	—	357,666	—	374,404	—	264,698
Coal & Petroleum	—	—	4,060	—	231,713	—	121,804	—	149,013
Animal & Vegetable Oils	—	—	8,913	—	1,652,955	—	4,366,151	—	419,308
Animal Oil	m.t.	—	7,813	16,300	1,448,835	44,300	3,987,309	302	174,415
Cod-liver Oil	"	3,962	1,862	284	140,856	288	265,745	228	170,048
Vegetable Oil	"	8,191	1,070	1,383	202,009	3,034	370,526	1,935	243,212
Chemicals, Drugs	—	—	38,403	—	4,013,965	—	3,922,907	—	4,101,557
Pharmaceuticals	—	—	3,765	—	264,161	—	466,157	—	320,291
Chemical Fertilizers	m.t.	919,490	17,923	103,282	2,388,189	96,731	2,037,498	132,102	2,535,544
Manufactured Products by Materials	—	—	461,491	—	39,681,167	—	44,668,330	—	38,185,791
Rubber Goods	—	—	8,290	—	812,605	—	1,025,606	—	794,127
Tyres & Inner Tubes	m.t.	17,230	6,793	1,790	671,560	2,170	880,311	1,578	633,015
Wood & Cork Products	—	—	19,688	—	1,915,445	—	1,958,452	—	2,142,841
Paper & Related Products	m.t.	113,853	10,389	9,629	1,015,315	13,153	1,287,702	9,729	1,002,790
Textile Yarns & Fabrics	—	—	249,585	—	22,684,171	—	25,739,552	—	21,200,488
Woollen Yarn	1,000 lbs.	7,276	4,918	800	566,432	1,144	825,409	627	455,800
Cotton Yarn	"	27,294	9,448	2,298	708,205	4,077	1,278,374	4,106	1,210,448
Rayon Yarn	"	18,591	3,253	1,658	301,417	2,233	400,548	1,357	255,711
Spun Rayon Yarn	"	35,536	5,779	3,858	650,446	3,050	485,560	2,328	399,012
Cotton Fabrics	1,000 sq. yds.	1,262,049	95,989	117,325	9,040,742	123,793	9,546,508	105,707	8,168,788
Silk Fabrics	"	47,884	9,074	4,359	796,971	4,974	864,205	3,853	706,921
Woollen Fabrics	"	22,328	12,017	2,068	1,078,410	2,870	1,601,598	2,348	1,325,175
Artificial Fibre Fabrics	"	1,165,827	79,867	7,908	7,205,894	112,240	7,372,834	95,234	6,278,499
Non-Metallic Mineral Products	—	—	41,241	—	3,154,073	—	3,896,454	—	3,546,739
Cement	m.t.	2,111,670	13,681	172,385	1,064,973	237,280	1,502,166	201,129	1,311,738
Glass Products	—	—	5,692	—	447,908	—	508,113	—	440,715
Chinaware	—	—	17,818	—	1,378,731	—	1,589,757	—	1,543,397
Precious Metals & Gems	—	—	9,724	—	851,622	—	939,679	—	844,704
Pearls	kg.	24,581	4,842	3,215	523,205	3,205	632,667	2,386	551,142
Base Metals	—	—	98,497	—	7,470,568	—	7,633,687	—	6,820,863
Iron & Steel	m.t.	1,290,540	80,420	82,675	6,162,719	78,286	6,033,727	72,588	5,756,971
Steel Bars & Shapes	"	239,337	8,903	10,919	475,195	11,223	502,636	3,510	181,100
Steel Plates (ungalvanized)	"	224,552	14,885	21,865	1,563,749	16,595	1,232,176	16,536	1,251,771
Copper	"	8,366	3,574	190	85,139	1,878	193,938	345	130,034
Nickel	"	3,413	4,485	276	459,579	319	522,646	244	334,182
Aluminium	"	10,221	2,687	1,802	110,883	275	86,694	288	88,839
Metal Products	—	—	23,872	—	1,756,162	—	2,157,799	—	1,802,649
Machinery & Transportation Equipment	—	—	174,095	—	15,452,744	—	25,928,981	—	19,765,759
Machinery (excl. electric machines)	—	—	41,945	—	3,042,436	—	4,000,121	—	4,006,332
Metal Processing Machines	—	—	981	—	58,922	—	132,226	—	71,118
Textile Machines & Parts	—	—	13,203	—	853,921	—	1,126,475	—	1,294,255
Sewing Machines & Parts	—	—	14,231	—	1,180,658	—	1,355,115	—	1,371,539
Electric Machines	—	—	18,293	—	1,604,652	—	2,386,932	—	2,373,120
Gen. Motors, Trans. & Alternators	—	—	2,327	—	115,864	—	187,001	—	267,118
Electric Bulbs	1,000 pcs.	233,440	2,079	16,184	159,056	26,758	256,841	26,111	260,524
Transportation Equipment	—	—	113,857	—	10,805,656	—	19,541,928	—	13,386,307
Railway Rolling Stock	—	—	10,307	—	1,291,622	—	812,619	—	609,798
Buses, Trucks	unit	1,541	2,900	264	271,266	234	327,647	344	383,095
Bicycles & Parts	—	—	3,401	—	260,540	—	230,469	—	242,839
Ships	unit	786	93,590	82	8,758,456	57	17,863,278	77	11,858,608
Miscellaneous	—	—	111,221	—	8,584,427	—	10,724,222	—	9,954,765
Camera	unit	895,857	3,041	33,994	247,616	38,611	292,638	39,956	312,005
Toys	—	—	19,951	—	1,463,142	—	1,658,524	—	1,892,846
Livestock, Pets etc.	—	—	147	—	32,134	—	5,336	—	7,713
Re-export Goods	—	—	2,946	—	274,026	—	194,330	—	215,206
Total Exports	—	—	900,229	—	76,771,066	—	98,779,334	—	80,840,203

Note: Figures of group total include others than represented. Figures for value are rounded under one thousand.
Source: Customs Division, Tax Bureau, Ministry of Finance.

* In million yen.

39. Imports by Major Articles

(In thousand yen)

Articles	Unit	1956		1957					
		Total		February		March		April	
		Volume	*Value	Volume	Value	Volume	Value	Volume	Value
Food	—	—	197,571	—	12,756,864	—	13,328,645	—	155,891,392
Cereals (rice, wheat & barley, etc.)	m.t.	4,399,730	132,914	218,479	6,116,236	197,254	6,018,490	387,668	12,735,847
Fruit & Vegetables	"	96,575	5,685	2,976	892,664	20,872	1,038,351	312,796	700,835
Sugar & Sugar Preparations	"	1,263,730	48,220	131,027	4,822,568	111,152	4,174,383	90,757	3,657,202
Coffee	1000. lbs	11,125	2,412	865	205,953	1,273	281,771	971	207,555
Beverage & Tobacco	—	—	8,417	—	670,597	—	473,949	—	176,915
Tobacco	—	—	3,052	—	639,718	—	442,782	—	139,135
Raw Materials	—	—	615,744	—	65,463,159	—	74,426,714	—	77,995,630
Hides & Skins	m.t.	76,429	10,995	6,402	811,488	6,993	927,348	4,123	607,865
Cow Hide	"	56,770	6,748	4,353	491,552	5,666	585,051	2,758	347,468
Box Calf	"	9,284	2,872	707	212,796	826	254,676	558	166,267
Oil Seeds	"	1,039,351	48,162	103,893	4,879,419	103,480	5,148,517	94,457	4,460,058
Peanuts	"	8,848	780,551	596	57,344	605	58,924	1,129	117,924
Copra	"	40,717	3,047	5,990	447,094	1,752	125,363	4,444	309,495
Soy-beans	"	717,081	30,473	70,943	2,991,622	75,384	3,277,785	60,916	2,667,269
Rubber	"	139,054	31,883	13,903	3,354,944	16,359	3,611,340	14,849	3,290,656
Crude Rubber	"	106,881	26,457	10,297	2,729,699	12,668	3,045,293	11,641	2,651,786
Latex	"	10,077	2,017	1,205	262,437	1,065	223,812	1,341	264,343
Synthetic Rubber	"	10,764	3,100	1,326	328,667	993	308,322	1,263	343,816
Lumber & Cork	—	—	30,085	—	2,590,021	—	2,382,517	—	2,612,371
Lumler	c.m.	2,586,015	29,189	215,018	2,452,616	194,570	2,276,597	222,682	2,524,047
Cork	m.t.	9,180	830	1,246	128,328	800	99,637	951	78,206
Pulp & Scrap Paper	—	—	11,295	—	924,897	—	1,325,748	—	1,152,372
Fibres & Textiles	1,000 lbs.	2,061,544	277,859	216,920	28,071,159	225,489	32,996,497	208,523	34,410,497
Wool	"	324,204	93,119	25,849	8,937,924	40,710	14,343,943	46,314	17,060,360
Cotton	"	1,496,116	172,940	156,247	17,760,111	156,490	17,181,402	143,899	16,310,589
Cotton, Ginned	"	1,325,182	162,515	147,854	17,013,423	140,396	16,316,396	130,646	15,602,709
Cotton Linter	"	45,890	1,087	8,392	205,991	8,474	210,418	5,294	152,481
Waste Cotton	"	125,043	9,338	6,733	540,627	7,620	654,572	7,959	655,389
Hard & Bast Fibres	"	218,895	9,061	26,084	1,081,680	26,445	1,197,668	15,367	714,481
Jute	"	77,286	2,536	12,617	446,864	10,678	407,839	3,103	123,090
Flax	"	9,769	573	—	—	—	—	—	—
Sisal Hemp	"	26,913	1,286	3,494	111,717	3,798	125,073	3,782	118,055
Manila Hemp	"	69,503	3,513	6,774	403,574	8,792	517,455	5,847	352,462
Fertilizers & Non-metallic Minerals ..	—	—	34,458	—	3,113,716	—	3,742,550	—	3,926,354
Fertilizers	m.t.	1,700,262	15,244	125,065	1,232,166	129,989	1,376,874	163,196	1,624,578
Salt	"	2,303,800	10,783	148,471	894,073	11,121	1,221,219	217,402	1,213,662
Asbestos	"	33,388	2,346	5,313	386,587	2,376	181,746	2,277	173,972
Magnesite	"	93,615	1,673	6,798	132,686	11,272	235,019	8,854	213,591
Metal Ores & Metal Scrap	"	12,196,121	164,379	1,101,414	20,999,752	1,227,026	23,757,650	1,402,758	26,921,094
Iron Ore	"	7,869,496	52,747	589,418	4,581,166	646,252	5,214,753	767,224	5,871,705
Scrap Iron	"	2,583,452	66,027	314,658	9,963,412	328,552	10,699,663	419,197	13,853,423
Non-ferrous Metals	"	1,679,421	27,820	186,051	3,574,722	239,704	4,444,672	204,099	4,044,488
Nickel	"	655,142	6,135	53,742	567,685	103,850	1,133,981	82,533	916,175
Aluminium	"	403,907	2,195	50,503	156,014	49,280	258,068	45,548	324,953
Manganese	"	206,574	3,307	45,492	882,541	22,190	442,215	25,786	529,736
Animal Materials	—	—	2,902	—	184,741	—	214,863	—	249,399
Vegetable Materials	—	—	3,724	—	530,019	—	319,686	—	298,123
Coal & Petroleum	—	—	148,553	—	16,514,165	—	21,144,975	—	22,518,399
Coal	m.t.	3,821,168	32,622	368,806	3,603,582	398,249	3,872,859	430,217	4,289,483
Anthracite	"	464,493	3,577	46,960	348,927	71,274	550,925	57,692	478,660
Bituminous (for coking)	"	2,963,026	26,314	273,942	2,810,522	284,946	2,020,602	276,698	2,909,243
Petroleum	k.l.	15,130,332	112,824	1,422,607	12,599,031	1,764,447	16,919,409	1,941,548	17,946,654
Crude & Unrefined	"	11,586,911	80,564	989,282	7,658,846	1,299,486	11,538,078	1,487,498	12,563,382
Gasoline	"	152,782	2,652	27,542	408,868	1,521	32,223	24,924	514,758
Gas Oil	"	106,761	1,113	3,995	47,153	13,528	159,519	6,134	76,244
Heavy Oil	"	3,164,794	25,181	296,789	4,241,859	434,999	4,770,178	415,840	4,557,295
Lubricants (excl. grease)	"	52,789	2,597	3,836	190,136	5,515	295,231	3,156	183,695
Petroleum Coke	m.t.	220,494	2,489	24,160	314,625	11,323	183,295	9,490	110,393
Animal & Vegetable Oils	—	—	12,115	—	887,351	—	1,117,245	—	1,687,026
Animal Fats & Oils	m.t.	105,957	8,046	8,604	674,444	8,372	664,180	16,961	1,276,052
Vegetable Oils	"	34,023	3,732	1,214	171,509	3,523	407,553	3,185	375,886
Chemicals, Drugs	—	—	58,789	—	6,172,034	—	6,252,045	—	6,517,945
Manufactured Products by Materials ..	—	—	56,040	—	14,281,898	—	15,203,119	—	17,947,584
Hides, Leathers & Furs	—	—	1,343	—	27,519	—	97,924	—	87,328
Rubber Goods	—	—	499	—	39,809	—	43,344	—	44,105
Paper & Related Products	m.t.	1,308	314	367	49,169	—	41,109	228	50,932
Textile Yarns & Fabrics	—	—	4,591	—	522,902	—	765,908	—	505,305
Base Metals	m.t.	597,073	42,481	177,808	12,975,761	184,044	13,376,061	243,061	16,537,155
Iron & Steel	"	532,497	21,904	160,345	7,828,713	165,275	8,817,208	224,202	11,684,735
Nonferrous Metals	"	64,576	20,577	17,463	5,147,048	18,769	4,558,853	18,859	4,822,420
Machinery & Transportation Equipment	—	—	58,021	—	5,903,814	—	8,194,131	—	9,171,148
Machinery (excl. electric machines) ..	—	—	38,799	—	4,354,418	—	6,192,503	—	5,607,576
Electric Machines	—	—	8,149	—	399,700	—	689,480	—	531,402
Transportation Equipment	—	—	11,073	—	1,149,696	—	1,312,148	—	3,032,170
Miscellaneous	—	—	11,517	—	1,028,631	—	1,167,281	—	1,194,775
Livestock, Pets etc.	—	—	123	—	13,442	—	14,664	—	14,807
Re-imports Goods	—	—	814	—	208,937	—	140,411	—	91,706
Total Imports	—	—	1,162,704	—	123,897,892	—	141,463,179	—	155,891,392

Note: Figures of group total include other items not represented above. Figures for value under one thousand are rounded.
 Source: Customs Division, Tax Bureau, Ministry of Finance. * In million yen.

40. Spot Quotations on Tokyo Securities Exchange

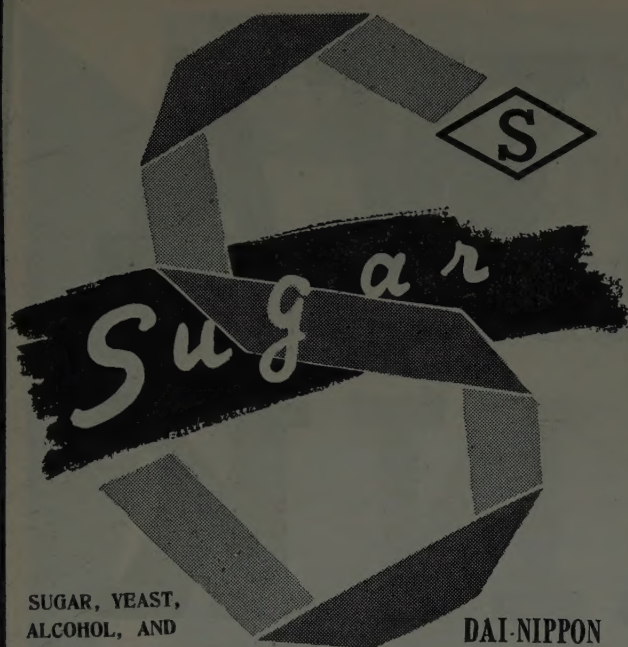
Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1957			Names of Shares	Au- thorized (Paid-up) Capital In mil- lion yen	Divi- dends	1957		
			June		July 15				June		July 15
			High	Low					High	Low	
Mining											
Mitsubishi Metal Mining.....	2,730	18	¥ 103	¥ 92	¥ 91	Coal & Petroleum		%	¥	¥	¥
Nihon Mining.....	5,670	16	94	81	83	Nippon Oil	4,500	15	108	100	99
Sumitomo Metal Mining.....	2,145	18	96	83	84	Showa Oil	2,550	20	145	123	130
Mitsui Metal Mining.....	2,400	18	108	95	97	Maruzen Oil	2,625	20	176	159	165
Mitsui Mining.....	3,000	10	105	90	85	Mitsubishi Oil	2,400	20	192	176	174
Mitsubishi Mining.....	2,700	12	102	88	100	Toa Nenryo Kogyo	4,738	*56	165	155	148
Sumitomo Coal Mining	2,000	12	115	68	85	Mitsubishi Chemical Ind.	3,966	15	126	109	127
Furukawa Mining	2,100	12	108	100	100	Rubber, Glass & Ceramics					
Ube Industries	6,000	20	121	116	110	Yokohama Rubber.....	2,000	12	228	□ 130	120
Teikoku Oil	2,000	12	165	115	145	Asahi Glass.....	5,000	20	195	180	186
Dowa Mining	1,500	20	127	118	110	Nippon Sheet Glass	2,500	20	271	245	□ 155
Foodstuffs											
Nippon Suisan	3,500	15	89	83	84	Nihon Cement.....	5,000	18	124	116	111
Nippon Flour Mills	864	17	112	104	103	Iwaki Cement.....	1,000	36	285	270	250
Nissin Flour Milling	1,000	16	127	124	124	Onoda Cement	6,400	16	100	66	92
Dainippon Sugar Mfg.	720	25	156	143	150	Nippon Toki	520	23	178	170	167
Taito	300	45	286	265	268	Nippon Gaishi.....	500	23	222	196	202
Meiji Sugar Mfg.	500	30	154	140	147	Metal Industries					
Toyo Sugar	366	30	185	172	174	Yawata Iron & Steel.....	15,000	12	75	72	71
Japan Beet Sugar Mfg.	675	20	129	120	123	Fuji Iron & Steel	13,000	12	72	68	66
Morinaga Confectionery	750	20	155	152	150	Kawasaki Steel	9,378	5	69	62	□ 59
Meiji Confectionery	840	20	131	124	124	Nippon Kokan	15,000	15	74	70	67
Nippon Breweries	1,825	20	143	130	130	Sumitomo Metal Ind.	5,000	12	80	76	78
Asahi Breweries.....	1,825	20	156	146	148	Kobe Steel	7,968	12	61	55	59
Kirin Brewery.....	1,845	32	186	176	181	Tokyo Rope	485	30	203	195	196
Takara Shuzo	3,927	20	90	85	80	Japan Light Metal	2,995	15	162	153	149
Japan Distilling	1,155	25	58	55	55	Toyo Seikan	(A) 800	25	1,150	1,100	1,125
Honen Oil Mills	1,000	20	131	121	125	Machinery					
Nissin Oil Mills	750	20	110	106	108	Ebara Mfg.	600	25	188	173	171
Noda Soy Sauce.....	800	25	217	206	209	Nippon Seiko	800	15	160	150	139
Ajinomoto	2,296	25	202	188	192	Toyo Bearing	600	20	173	160	147
Nippon Cold Storage	2,000	16	106	99	103	Koyo Seiko	700	15	110	95	83
Textiles											
Toyo Spinning	6,450	24	167	159	172	Electric Machinery					
Kanagafuchi Spinning	3,738	18	107	101	106	Hitachi Ltd.	15,000	15	123	□ 97	93
Dai Nippon Spinning	5,250	18	102	98	106	Tokyo Shibaura Electric	9,588	15	90	87	87
Fuji Spinning	3,000	18	102	96	100	Mitsubishi Electric	5,400	15	112	105	107
Nissin Cotton Spinning	1,560	32	190	180	185	Fuji Electric Mfg.	3,600	15	123	□ 92	93
Kurashiki Spinning	2,600	25	110	102	110	Furukawa Electric	3,000	12	107	98	95
Nitto Spinning	1,700	15	76	72	76	Nippon Electric	2,000	15	124	109	110
Ohmi Kensei Spinning.....	2,000	10	60	53	55	Transportation Equipment					
Japan Wool Textile	2,560	20	122	117	118	Mitsubishi Shipbuilding & Engineering	5,600	12	91	82	77
Daito Woollen Spinning	1,500	18	85	82	83	Mitsubishi Nippon Heavy Ind. ..	3,000	10	91	84	81
Chuo Textile	500	10	53	49	50	Mitsui Shipbuilding & Engineering	2,240	15	105	98	98
Teikoku Rayon	4,800	20	133	121	125	Mitsubishi Heavy Ind. Reorg. ..	11,200	12	112	105	70
Toyo Rayon	6,000	20	222	205	223	Ishikawajima Heavy Ind.	2,600	12	74	68	67
Toho Rayon	1,500	20	106	95	95	Nissan Motor	4,200	15	122	112	95
Mitsubishi Rayon	2,250	20	112	103	107	Isuzu Motor.....	3,000	16	102	98	94
Kurashiki Rayon	3,000	15	126	119	132	Precision Machinery					
Asahi Chemical	(B) 3,675	22	405	395	388	Nippon Kogaku	465	15	125	114	110
Paper & Pulp											
Kokoku Rayon	3,000	12	61	56	56	Canon Camera.....	800	25	150	143	138
Sanyo Pulp	2,610	20	116	103	95	Other Manufacturing Industries					
Nippon Pulp Ind.	1,600	20	119	109	113	Toppan Printing.....	500	23	116	112	110
Kokusaku Pulp	1,680	20	110	101	98	Nippon Musical Instrument....	450	18	177	173	170
Tohoku Pulp	2,028	20	108	100	100	Trading Companies					
Oji Paper	1,600	25	240	234	230	Mitsui Bussan.....	1,755	20	138	118	117
Honshu Paper.....	2,000	8	93	88	85	Mitsubishi Shoji	5,000	14	101	91	88
Jujo Paper	1,120	30	280	270	268	Mitsukoshi	2,430	26	243	222	210
Mitsubishi Paper Mills	1,080	15	88	83	81	Real Estate					
Hokuetsu Paper Mills	900	10	61	60	58	Mitsui Real Estate	420	15	364	336	327
Chemical Industries											
Toyo Koatsu Ind.	3,600	15	144	121	135	Mitsubishi Estate	2,064	18	205	185	187
Nitto Chem. Ind.	2,382	8	123	117	119	Heiwa Real Estate.....	1,323	12	266	236	243
Showa Denko	4,500	15	151	140	143	Transportation & Shipping					
Sumitomo Chemical	4,000	15	152	143	145	Tobu Railways	1,600	13	121	115	115
Shin Nippon Chisso Hiryo....	2,400	15	99	91	86	Tokyo El. Express Railway ..	3,000	13	107	102	104
Nissan Chemical Ind.	2,080	23	89	75	76	Nippon Express	(B) 10,800	16	230	□ 171	162
Nippon Soda	1,508	15	122	102	79	Nippon Yusen	11,400	—	51	48	46
Toyo Soda	1,200	15	87	78	71	Osaka Shosen	7,600	—	45	41	40
Toa Gosei Chemical Ind.	2,400	20	130	110	105	Nitto Steamship	6,000	10	62	57	55
Electro-Chemical Ind.	2,244	15	129	117	119	Mitsui Steamship	5,500	—	53	50	46
Shin-etsu Chemical Ind.	980	15	95	85	82	Iino Kaiun	13,200	8	57	52	51
Mitsui Chemical Ind.	1,600	15	149	125	139	Mitsubishi Shipping	4,800	8	58	55	53
Kyowa Fermentation	1,441	18	121	□ 108	102	Warehouse & Entertainment					
Dainippon Celluloid	2,000	15	80	73	70	Mitsubishi Warehouse	600	12	109	98	93
Nippon Chemical Ind.	800	20	86	82	89	Shochiku Motion Picture	1,848	15	122	118	119
Sankyo	780	20	140	130	133	Nikkatsu	3,287	5	63	54	51
Kansai Paint	600	20	113	105	105						
Fuji Photo Film	2,500	18	123	119	113						
Konishiroku Photo Ind.	1,800	12	70	65	63						

Notes: (A) 500 yen shares.

(B) 100 yen shares, others 50 yen.

□ ex-new.

* share dividends.



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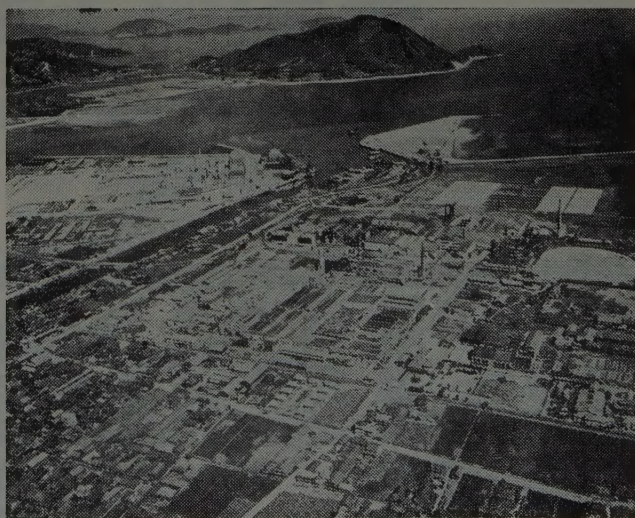
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Bird's Eye View of Hofu Factory



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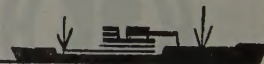


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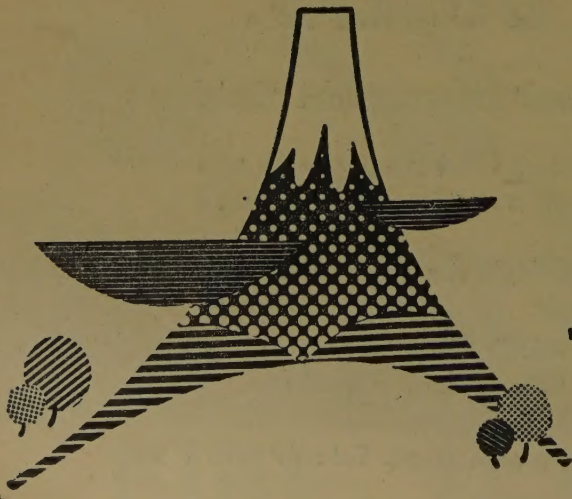
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